The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Americans, Unitans, Usarians or What Have You?

Judge Feetham and the Futur Status of Shanghai

Gen. Liang Chung-Chia: National Hero!

The Doctors and Exterritoriality

The Need of a "Downtown" Commerce College in Shanghai

By Paul K. Whang

How the Japanese S. M. R. Monopoly Functions; Status of British Railway Investments in China; China's Internal Loans, Past and Present; Shanghai Gossips: Better Look Out!; Causes and Cures of Civil War in China, by Wen Ying Peng; Mr. Woodhead's Views and His Actions!

SATURDAY, FEBRUARY 1, 1930 VOLUME LI, NUMBER 9

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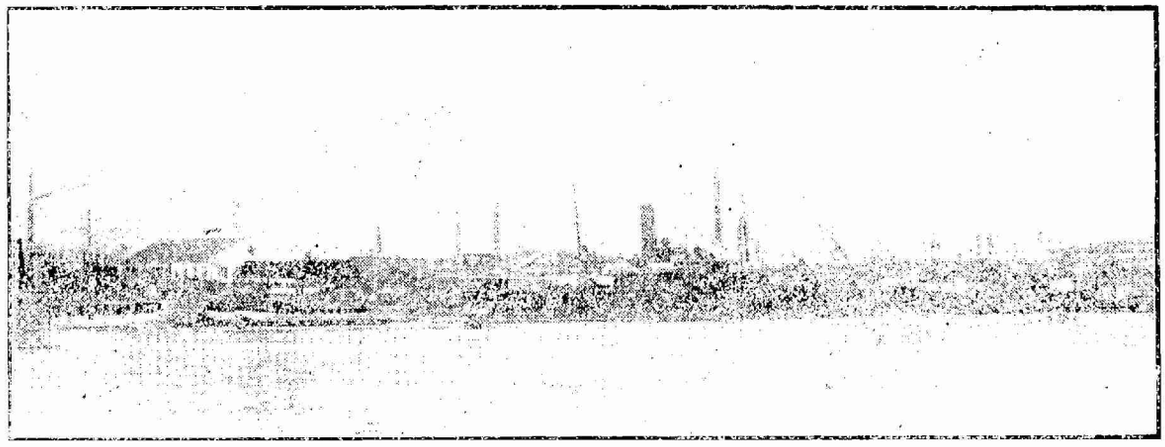

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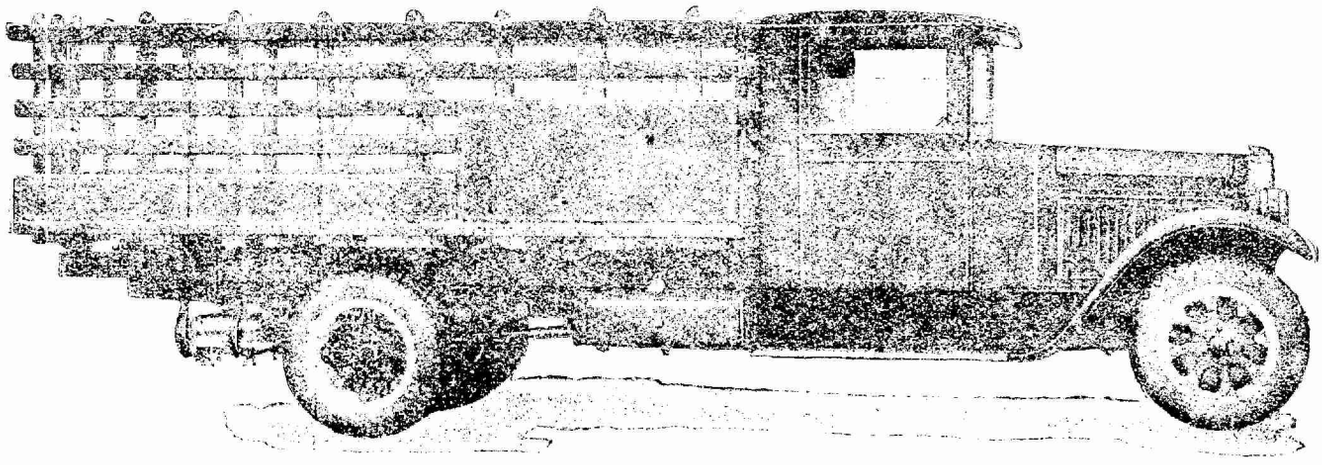

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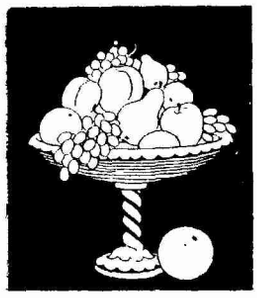

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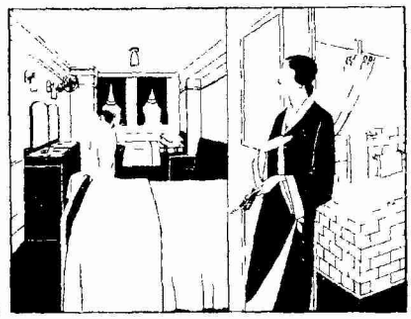

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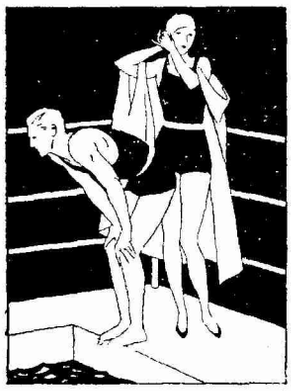

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The China Weekly REVIEW

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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U. S. CRIME NEWS AND EXTRALITY ADVICE

THE CHINESE apparently lack a sense of humor otherwise they would have said something to Mr. Stimson about scrubbing his own doorstep in recent months when the American Secretary of State was sending notes to China about the impossibility of relinquishing extraterritoriality until China had reformed her courts and penal institutions in accordance with the western conception of such things. This thought is suggested by the over-abundance of news which has been telegraphed to China recently regarding deplorable crime and prison conditions in the United States. Almost every week, it seems there is a story about a fresh outbreak in some American penal institution, the situation having become so serious as to arouse the attention of President Hoover. Then in addition to the deplorable conditions existing in American penal institutions, there was the report to Congress of the commission appointed by President Hoover to investigate the serious problem of crime and law-enforcement. According to a report appearing in one of the widely-circulated American magazines the U. S. Attorney General, Mr. Mitchell, made a speech over the radio a few weeks ago in which he said that of some 10,000 prisoners in federal penitentiaries (distinct from state prisons) on June 30, 1929, 2,731 were there for violations of the drug act, 1,827 for violations of the prohibition act, 1,337 for the transportation of stolen automobiles, and 241 for violation of the Mann act (white-slave traffic). In reference to conditions responsible for recent prison rioting and attempted outbreaks, he said that over-crowding, bad feeding and lack of work were responsible. He recommended enlarged prisons, better feeding and useful work for prisoners. Whether the prison situation in the United States is as serious as the cable reports in the local foreign newspapers would make us believe is impossible to say, but undoubtedly the news reports must provide food for serious thought on the part of the Chinese who are being pressed by the United States and the other Powers to reform their courts and their prison and legal systems. We hope that the United States, Great Britain, France and the other Powers will keep after the Chinese until they have developed the best legal and court system in the world and then after China has done so, we hope that Secretary Stimson will send a commission over here to study the China system with the object of developing a similar model system in the United States.

GEN. LIANG CHUNG-CHIA: NATIONAL HERO

IT IS UNFORTUNATE that the National Government has not as yet taken any action in recognition of the services of Gen. Liang Chung-chia, the commander-in-chief of the Chinese troops which were stationed at Manchouli on the Sino-Russian frontier and thus stood for many weeks the brunt of the Soviet attack. It is true that Gen. Liang finally was defeated and with most of his force taken prisoners by the Red Russian army, but it was due to no fault of Gen. Liang that this occurred. Immediately after the break in relations between China and the Soviet in July last year, Gen. Liang with a small force, not exceeding 5,000 Heilungkiang provincial troops, was sent to Manchouli with instructions to defend that city and the Chalainor coal mines (about 25 miles from Manchouli) against Soviet aggression. Although Gen. Liang's force was outnumbered by the Reds at the ratio of 6 to 1 and his military equipment was almost negligible, he succeeded in holding out against repeated Soviet attacks until late in November and early in December when the Reds by utilizing armed and Red-officered Mongolian bands cut the railway in the rear of Gen. Liang's position. But even then Gen. Liang did not surrender until the Russians by using superior military equipment, had wiped out a considerable portion of his force. With his position entirely surrounded and communication cut with his base of supplies and reinforcements in the rear and with his ammunition exhausted, Gen. Liang realized that further resistence was futile, so in order to prevent further bloodshed he surrendered. In an address delivered before a representative group of Chinese citizens at Manchouli last week Gen. Liang announced his intention of retiring from further military service, his reason being that he "felt most regretful for not being able to safeguard Chinese territory from being invaded by the Soviet." In giving the reasons for his defeat, Gen. Liang said: (1) The enemy forces amounted to four divisions and in addition they had about 200 field-pieces, 30 modern bombing planes equipped with machine-guns, and about 30 modern tanks. The Soviet force at the time of the final battle was at least ten times stronger than the Chinese army; (2) With the loss of Chalainor (located 25 miles in the rear), communications between Manchouli and reinforcements on the C. E. R. to the east were entirely cut off; (3) The Chinese forces were short of ammunition and the cutting of the railway by Mongolian bands and Soviet air-bombing attacks left Gen. Liang's army at Manchouli entirely helpless; (4) Due to the fall of Chalainor on the 17th and the consequent cutting of the telephone and telegraph wires by the Soviet troops, Gen. Liang was unable to learn what had happened in the rear until the 19th when it was too late for him to order a retreat since his force was entirely surrounded. Gen. Liang concluded his statement by saying that "although I may not be punished for my defeat, I feel that I must retire from military life."

When American and British newspaper correspondents and military observers visited the Chinese positions at Manchouli-Chalainor last August, it was realized that these positions could not be held against a determined Red attack owing to the practical impossibility of defending the long line of communications with the rear, the nearest Chinese base of supplies being at Hailar nearly 100 miles to the east. This was particularly true since the Chinese Eastern Railway in this section passed through the Barga district which was uninhabited except by potentially hostile Mongolian bands whose leaders were under Soviet influence. Gen. Liang realized this, as also did the Chinese military authorities at Harbin and Mukden, which probably was the reason that Gen. Liang was not supplied with sufficient heavy artillery. However, he made the best of a bad situation and in a measure made up for his weakness in equipment by constructing an excellent system of trenches and dug-outs along the Chinese frontier to the west and north of both Manchouli and Chalainor. The first Red attack on Gen. Liang's position was on August 16, 18 and 20 when some forty or fifty Chinese soldiers and petty officers were killed. However, the Red troops were repulsed and forced to retire, also with severe losses. In describing this battle, Gen. Liang said, "Ten years ago, our Chinese troops would have fled at the sound of foreign artillery (the Russians fired more than 1,000 shells into the Chinese positions before the infantry attack), but this time they stood up and defended our territory." The Soviet losses in this and succeeding encounters have not been stated, but they must have been considerable because the Soviet War Department early in December opened a public subscription in Moscow to raise funds for caring for the wounded.

In many ways Gen. Liang's position at the extreme western end of the C. E. R. was pitiable because he only possessed a few pieces of artillery against the Russian's 200 long range guns. Furthermore he had neither tanks nor airplanes. The Chinese troops were thus at the mercy of the Red Russians and were subjected to merciless punishment almost daily while the Chinese had no way of retaliating until the Russian troops advanced within range of the Chinese rifles and machine-guns. Almost daily the Soviet bombing planes would fly over the Chinese positions raking the trenches with machine-gun fire, against which the Chinese had no protection except their dug-outs and bomb-proofs. It was reported that the Chinese did not possess a single anti-aircraft gun. The ultimate defeat of Gen. Liang's troops was thus a foregone conclusion, hence Gen. Liang is deserving of the highest possible praise for his action in fighting against overhelming odds and doing everything possible to defend Chinese territory against the Reds who had no more regard for the Kellogg Pact than if it never had been signed by the rulers of Moscow. If Gen. Liang lived in any other country he would be exploited as a national hero. One would think that the National Government, which frequently rewards its heroes of domestic civil wars, would be able to do something for Gen. Liang and his brave troops who performed a real national service despite the fact that they ultimately were defeated by superior force.

MR. WOODHEAD'S VIEWS—AND HIS ACTIONS

THE EDITOR of the *The Leader*, a Chinese-owned newspaper published in Peiping, has called attention to the curious action of the *Peking and Tientsin Times*, British-owned newspaper published in Tientsin which recently has been widely advertising the sale of combined solar and lunar calendars and recommending to purchasers that these calendars be presented to Chinese as gifts. The reason the Chinese newspaper in Peiping called attention to this incident was due to the fact that the Chinese Government, as part of its reorganization campaign, has forbidden the printing and sale of this particular type of calendar in China. But the *Peking and Tientsin Times*, being a British newspaper and publishing plant, is not bound by Chinese laws, hence it proceeds to take advantage of the Chinese Government's prohibition, which affects Chinese printing plants only, and doubtless enjoyed a good sale for its illegal calendar. However, the chief point of interest in this episode is yet to be disclosed: The *Peking and Tientsin Times* is edited by H. G. W. Woodhead, generally looked upon by die-hards on the China coast as the leading opponent of an abolition of exterritoriality. Prior to the meeting of the Institute of Pacific Relations at Kyoto last fall, Mr. Woodhead published a long series of editorials in his newspaper in which he "exposed" all of the defects in the Chinese legal system and used this as an argument against any changes being made in the present system of consular jurisdiction over foreigners residing on Chinese soil. Later Mr. Woodhead collected his editorials and reprinted them in a pamphlet which was widely disbributed over the world, his purpose apparently being to influence foreign governments against making any changes in the exterritorial system. There is, of course, nothing new in this die-hard attitude of Mr. Woodhead. He opposed the action of the British Government in returning the British concessions at Hankow, Tientsin and Kiukiang to Chinese control. He opposed the granting of tariff autonomy, and now he is opposing any change in the exterritorial system. And at the same time the British publishing company of which he is head, issues an illegal calendar and thereby flouts the authority of the Chinese Government. By doing this Mr. Woodhead has presented the Chinese with the best possible argument for discrediting his entire editorial campaign against a revision of the exterritorial system, for it has been just this sort of activity on the part of exterritorial-protected foreigners which has brought the whole consular court system into disrepute and has aroused the Chinese from one end of the land to the other to demand immediate abrogation.

STATUS OF DOCTORS AND EXTRATERRITORIALITY!

FOREIGN MEDICAL practitioners in China seem to have sound grounds for apprehension in respect to the abolition of exterritoriality, due to the Chinese custom of holding the doctor strictly accountable for the deaths of patients. Chinese doctors, of course, have always been subject to this custom, but changes in the exterritorial system, now imminent, will place foreign doctors in the same category as Chinese physicians, under the laws of the country. Recently there have been cases at interior points where foreign doctors have been forced to discontinue their practice among Chinese patients and remove their offices to foreign settlements. German doctors, who have not had consular protection for several years, are said to have experienced considerable trouble due to persecution or even prosecution as a result of patients dying while under their care. Last summer there was a case in Harbin where a Russian doctor, a woman, got into serious difficulties and was sentenced to a year in jail because of the death of a Chinese youth who had been brought to her suffering from strangulation due to the lodgment of some foreign substance in the patient's throat. While attempting to dislodge the substance, the Chinese patient jumped, causing the instrument to break and become lodged in the throat, causing the death of the patient. The parents of the child immediately brought an action in the court resulting in a year's jail sentence and heavy fine for the physician.

The trouble, of course, is due to the comparative newness of modern medical practice in China a situation which recently was given prominence due to a fight which developed between the so-called "modern" and "old-style" Chinese doctors. The Ministry of Health in Nanking, which is staffed with modern, western-trained doctors, recently adopted regulations for the control of the medical profession, the regulations requiring the passage of strict examinations before permission was given to practice medicine. This had the immediate effect of stirring up the old-style doctors or "herbalists" who sent a delegation to Nanking and demanded the immediate abolition of the new regulations. They charged the "new-style" doctors with attempting to create a monopoly and since there is a large and lucrative trade in medical herbs in China, the old-style doctors finally were able to stir up the powerful chambers of commerce in their behalf. The results of this fight are not yet known, but it is reported that the Ministry of Health has been forced to compromise with the "herbalists" and delay the date for enforcement of the new registration regulations. The old-style doctors filled the Chinese newspapers with their petitions and resolutions calling attention to the fact that while western scientific medicine enjoyed great prestige, it was not to be overlooked that old Chinese remedies also enjoyed great prestige with the Chinese people and in case the "herbalists" were put out of business, "what would become of the Chinese people." They also published some interesting statistics showing the comparatively small number of modern-trained doctors in the country.

In view of the general backwardness of China from the standpoint of modern sanitation and disease-prevention medicine it is easy to understand the predicament of the modern doctors. Foreign doctors claim that patients often are brought to them suffering from serious ailments which have been aggravated by the previous application of primitive "cures," usually some herb for which miraculous properties were claimed. Then in the event the patient dies, the foreign medical practitioner is held legally responsible. In some cases it is reported that the foreign doctor is only able to

escape arrest by paying over a considerable sum of money to the relatives of the deceased.

The blame, naturally, is not all on the side of Chinese conservatism for China long has been victimized by western "quack" doctors who have plied their trade in the foreign settlements and thus have been exempt from Chinese laws. Innumerable cases have been reported where men with practically no modern medical training have opened offices as doctors in Shanghai and have amassed fortunes, chiefly, through the dispensing of dope. A well-known American doctor two years ago was authority for the statement that he had been called to attend Chinese patients and had found in the sick-room various bottles containing narcotics which had been left by the preceding doctor. This is a situation which should be cleaned up and doubtless will be cleaned up when the Chinese come into control of the foreign settlements, but while putting the "quacks" out of business something should be done to protect the legitimate and qualified practitioner. We know of no logical reason why medical doctors should not be held strictly accountable for their mistakes the same as other professionals, but while doing this, there also should be devised some way of preventing persecution based on the superstitious belief that a doctor should be able to effect cures in all cases.

SHANGHAI GOSSIPS: BETTER LOOK OUT!

IF THE CHINESE ever succeed in abolishing exterritoriality and enforcing their jurisdiction in the foreign settlements, the Chinese courts will undoubtedly be clogged with actions which will come under Article 325, Chapter twenty-two of the Chinese Criminal Code which reads as follows:

> "Whoever with intent to circulate among the public and finds fault with or describes anything sufficient to injure the reputation of another person, commits the offense of defamation, shall be punished with imprisonment for a term of not more than six months, detention, or a fine of not more than five hundred dollars."

Later on there is another clause in the same chapter which exempts the spreaders of misinformation from punishment, "providing it is done with good intentions," but we doubt whether that would absolve from punishment the gossips of Shanghai, chiefly foreigners, but not all foreigners, who spread scandalous stories about the alleged misdeeds of Chinese officialdom. A few examples will serve to enlighten readers who do not have the opportunity of attending Shanghai dinner parties where these morsels are dispensed: "General Chiang Kai-shek remitted $90,000,000 to New York for safe-keeping," "The Majestic Hotel property, recently sold for several millions of taels, was bought by a syndicate of Nationalist officials for the purpose of converting it into a sort of 'summer white-house,'" "All Nationalist officials suffered tremendous losses in the New York stock-exchange slump," "The wife of a certain high official of the National Government is the head of a large kidnapping-gang which operates in the International Settlement." We will not repeat any more of the latest for fear of ourselves being yanked up under the provisions of "Article 325," but sufficient have been repeated to show the trend of idle conversation in Shanghai when foreigners (also many Chinese) get together and have nothing much to talk about except the latest scandal. We presume that most persons think that where there is so much smoke there must be some fire, hence most everybody doubtless believes much that he hears of this idle talk. Last year a certain foreign newspaper correspondent in search of a sensational story for the front page attempted to trace down one of these stories about certain Chinese officials remitting large sums abroad. He approached the manager of a certain brokerage house who was supposed to have handled the transaction. The manager of this company denied the report but said that another firm had handled the transaction. But when the manager of the other company was approached, he "passed the buck" back to the other company. Thus ended that story. Three years ago the correspondent of a London newspaper sent a story alleging that Eugene Chen, foreign minister of the Nationalist Government at Hankow had sent a large sum of money to a foreign bank in London. Since Mr. Chen is a lawyer of no mean accomplishments, having been educated in England, he hopped on that story and instructed a well known firm of London lawyers to bring an action for libel against the newspaper that had printed the story. The result was a complete retraction and the ultimate withdrawal of the correspondent from China. As for the recent gossip about dealings in "high-finance" by Nationalist officials, we have no means of getting at the facts, but in view of Gen. Chiang Kai-shek's recent purchases of military airplanes and munitions of war in the United States, this would naturally entail the remittance of considerable sums of money to America for payments—which probably is the foundation for the gossip about the money transactions. Also, in view of the recent slump in silver, no one of intelligence would blame any Chinese afficial or the Government either, for changing Mex. into gold. With silver approaching the current prices for lead, we would do it too—providing we had any silver!

AMERICANS, UNITANS, USARIANS OR WHAT HAVE YOU?

SEVERAL MONTHS ago a Canadian, connected with the secretariat of the League of Nations, wrote *The Review* an indignant letter in the course of which he lodged strong objection to our use of the word "American" as designating citizens of the United States, or the word "America" as designating that part of the North American continent which is occupied by the United States. He contended that the United States had no more right to monopolize the word "America" than had Canada or Mexico and while our correspondent did not threaten to refer the matter to the League or the forthcoming Disarmament Conference, his letter did arouse interest in this question of the use of the word "America," which is of special interest in this part of the world and is likely to become of increasing interest in view of the rapid emergence of Canada into full nationhood, combined with the dispatching of Canadian ministers and other diplomatic officials to the Far East. Since there is nothing new in this question, *The Review* decided to refer the

matter to the Department of State for a ruling. In last week's mail a letter was received from a responsible official of the State Department, but it was marked "unofficial" hence did not settle the question *officially*, but the letter was important as it contained another letter written by W. A. Slade, chief bibliographer of the Library of Congress, which cited various discussions of this subject which had appeared in American (?) publications, as far back as 1845. Mr. Slade's letter which was addressed to Dr. Stanley K. Hornbeck, chief of the Division of Far Eastern Affairs, was as follows:

> There is an article (unsigned) in the Democratic Review for May, 1845, suggesting the name "Alleghan or Alleghanian America." Edward A. Oldham has an article in the Magazine of American History for June, 1892, the thesis of which is set forth in the title, "America must be called Columbia." In the *Nation* for January 20, 1916 Christine Ladd Franklin suggested "the name which has been devised....by the makers of the scientific auxiliary international languages, Usonians—that is, inhabitants of the United States of North America." Others, in the supplement to the *Nation* for February 10, 1916, take up the matter, in letters to the editor of that journal. One, dealing with the name just mentioned thought the spelling of the adjective might well be "Usonian"; another held "Usonian" objectionable on much the same grounds as "American". Other correspondents proposed these names for the inhabitants of the United States: "Usarians", "Ustations"; "Unitans".
>
> The *North American Review* for September 1916, then edited by Col. George Harvey, inquired "Are we 'the' Americans?", and defended the use of the words "America" and "American" as meaning the United States and the inhabitants of the United States. Professor Ellen Hayes wrote to *Science* for July 5, 1918, of "A country without a name" pointing out that "the united states south of the Rio Grande bear the name Mexico; similarly the united states (provinces) north of the St. Lawrence and the Great Lakes bear the name Canada", while the "geographically intermediate group of states suffers the misfortune of having no name". Dr. Ingo W. D. Hackh in Science for September 13, 1918, suggests "Usona".
>
> Secretary Hay, on August 3, 1904 (we are informed) issued an instruction to the field to use the word "America" in diplomatic correspondence.
>
> It may be interesting to point out that the *Oxford Dictionary* after defining American as (1) "belonging to the continent of America", passes on the definition (2a) "belonging to the British colonies in North America (*Obsolete*)" then to the definition (2b) "belonging to the United States", giving under *2a* and *2b* these illustrative quotations:
>
> "1647. WARD *Simple Cob.* 24 Divers make it an Article of our *American Creed. 1775.* JOHNSON (*title*) Taxation no Tyranny, an Answer to the Resolutions and Address of the American Congress. 1883. *Daily News* 14 May 5/8. The plain evening dress which bespeaks the American Minister everywhere."
>
> Library of Congress
>
> Washington, D. C. W. A. SLADE
>
> Chief Bibliographer

Justice Feetham and the Future Status of Shanghai

MOST PERSONS in Shanghai, who have thought on the subject at all, have wondered why the Shanghai Municipal Council went so far afield to employ Judge Richard Feetham of the Supreme Court of South Africa as a legal adviser. The real reason is yet to be explained, particularly in view of the superfluity of experienced legal talent available in Shanghai, some of which is already on the Council's payroll. But regardless of the reason for the Council's action, it's a compliment to Judge Feetham that the controllers of the International Settlement should have sent to Pretoria, South Africa for legal advice. Undoubtedly the Council must have considered the situation serious, although nothing has been announced publicly to the foregoing effect. On Friday of last week the Council made public two letters referring to Judge Feetham and his duties, one being from the Judge himself, addressed to the Council wherein he announced that he was here "for the purpose of under taking the task which the Council has entrusted to me," said task being "the formulation of some constructive plan or scheme which, while giving full consideration to the aspirations of the Chinese people, will at the same time afford reasonably adequate protection to the great commercial and business interests which have been developed in Shanghai." In the furtherance of this plan, Judge Feetham asked two things of the Council, (1) that the officials of the Council be instructed to answer "freely and fully" all questions and give him free access to all books and records; (2) that he is to have complete freedom as to the persons to be approached and the methods of consultation to be adopted for the purpose of obtaining information bearing on the situation.

In reply to this letter, H. E. Arnhold, Chairman of the Council, and head of Arnhold and Company, Ltd., representative of the British Sassoon interests, large owners of real estate and diversified interests in the Settlement, stated that the Council was glad to do everything in its power to help Judge Feetham in his work. The Council then published "Municipal Notification, No. 3925," stating that in accordance with the exchange of letters with Judge Feetham, the Council "gladly" extended an invitation to all public bodies, associations and individuals of all nationalities to communicate to Judge Feetham, "any information or expression of opinion that may bear on the subject of his inquiry." Those desiring personal interviews were instructed to get in touch with Judge Feetham's secretary whose name is A. A. MacIntosh, and whose office is located in Room 341, Administration Building. Thus the scenery is set for another act in the drama, tragedy, or comedy, (depending on the point of view) of Shanghai.

At least one group of Chinese intellectuals, those affiliated with the *China Critic*, a weekly magazine published in the English language, didn't wait for the Council's invitation to supply information to Judge Feetham for in their issue of Jan. 23, the day preceding the Council's announcement, they published an editorial referring to Judge Feetham's employment wherein appeared some information about Shanghai which Mr. Arnhold probably failed to mention when the contract was signed. One paragraph from *The Critic's* editorial will suffice to show the trend,

> "Wheel (roulette) houses, greyhound racing courses, hwa-hui (gambling) tables and other kinds of public gambling are the principal recreation places of this 'happy' Shanghai community. Shanghai is a gambling center. Gambling finds favor in all classes, because it is 'legally' sanctioned and so varied in the Settlement that a man earning $8 a month can bet on the basis of one copper, while a man receiving a princely

salary can throw thousands of dollars at one single stake. From the standpoint of gambling facilities, Shanghai is wonderful in its progress, and the whole world may look upon it with awe. Within the Settlement one is at liberty to find a drink of liquor throughout the twenty-four hours of the day, and crimes may be committed at any time; even the night is not spared. Vice is dreadfully prevalent in Shanghai. Having become intoxicated, foreign sailors (why limit it to sailors?) are not infrequently reported to have insulted respectable Chinese women on the streets and even in houses. This is the 'tranquility' enjoyed by the Chinese..... As tranquility is prevailing all the day and night in Shanghai, the community is threatened with further fatal dangers, and the people are 'warned' with. 'Hearing bullet sound, run away!' Pedestrians walking on the most congested streets or in crowded centers are just as much in danger as in the war zone, because they may walk at one moment and at very next may be shot down by straying bullets. This is the 'safety' of Shanghai and the 'protection' offered by the police."

This editorial should be of interest to Judge Feetham (also to Mr. Arnhold, particularly the reference to greyhound racing) in that it calls attention to certain phases of the Settlement's activities which adversely affect the Chinese. However, the editorial was superficial in that it only called attention to certain outward manifestations of a deep-seated disease which is inextricably bound up in the whole question of the status of the foreign-administered area. Shanghai's present-day troubles are due primarily to the fact that it gets its inspiration from a charter (land regulations) which probably would be declared illegal if the City's case was ever analyzed before an international court of justice. This situation is well outlined in a recent book, "The Status of Shanghai" by a Chinese writer, Ching-lin Hsia, who presented his thesis at the recent Conference on Pacific Relations at Kyoto. Mr. S. Fessenden, director-general of the Settlement went to the Kyoto Conference and in a newspaper interview while there declared that "Shanghai would go to hell" if the Chinese ever got control, but despite Mr. Fessenden's protestations, most of the delegates at the Conference were of the opinion that the time had passed for half-measures and that something definite and far-reaching must be done to solve the Shanghai Question and that shortly, otherwise the "hellish" things Mr. Fessenden feared might come to pass. It was shortly thereafter, that it was announced that the Council had invited Judge Feetham to come here as an adviser.

It is not our purpose to tell Judge Feetham about all the things that are wrong with Shanghai, but briefly, if he remains here sufficiently long and digs deeply enough he will find that a small clique of foreigners, a so-called "taipan oligarchy" have perpetuated a governmental administration here on the coast of Asia that is unrepresentative of either foreign or Chinese interests; that this administration is so completely out of touch with the trend of the times in China or the world generally as to be ridiculous. Coming from the outside, particularly from Africa where the British Empire has another and somewhat similar problem on its hands, there is hope that Judge Feetham will be able to bring a fresh viewpoint to bear that will assist in the solution of the Shanghai Problem. But if he sincerely wishes to get at the bottom of things, he will have to break through the circle of propaganda and intrigue that will be built up around his office by the people, chiefly foreigners, but also some Chinese, who want to perpetuate the present system. And if Judge Feetham does dig deeply enough he will find that the Chinese have no monopoly of criticism of the present system of government. He will find that the Americans, the Japanese, the Germans, the Scandinavians, also have sound grounds for objecting to a continuance of the "taipan oligarchy," which controls this city. Doubtless he has already discovered that the rank and file of Britons at home in England are also strongly dissatisfied with the way a small clique of their fellow-subjects have played fast and loose with the prestige of the Empire in this part of the world and thus have antagonized millions of potential customers of the mills of Manchester and Birmingham. Particularly we would urge Judge Feetham to read the report of Justice Johnson of the Philippine Supreme Court who investigated the May 30 incidents of 1925. Also, we would urge Judge Feetham to complete his investigation and prepare his report as quickly as possible for the early passing or even modification of the system of exterritoriality is likely to precipitate a crisis that might quite easily have disastrous repercussions for a large number of innocent persons whose only interest in China is that of peaceful trade and who have no interest whatever in the perpetuation of the artifical political bureaucracy which calls itself the government of the so-called "international" Settlement.

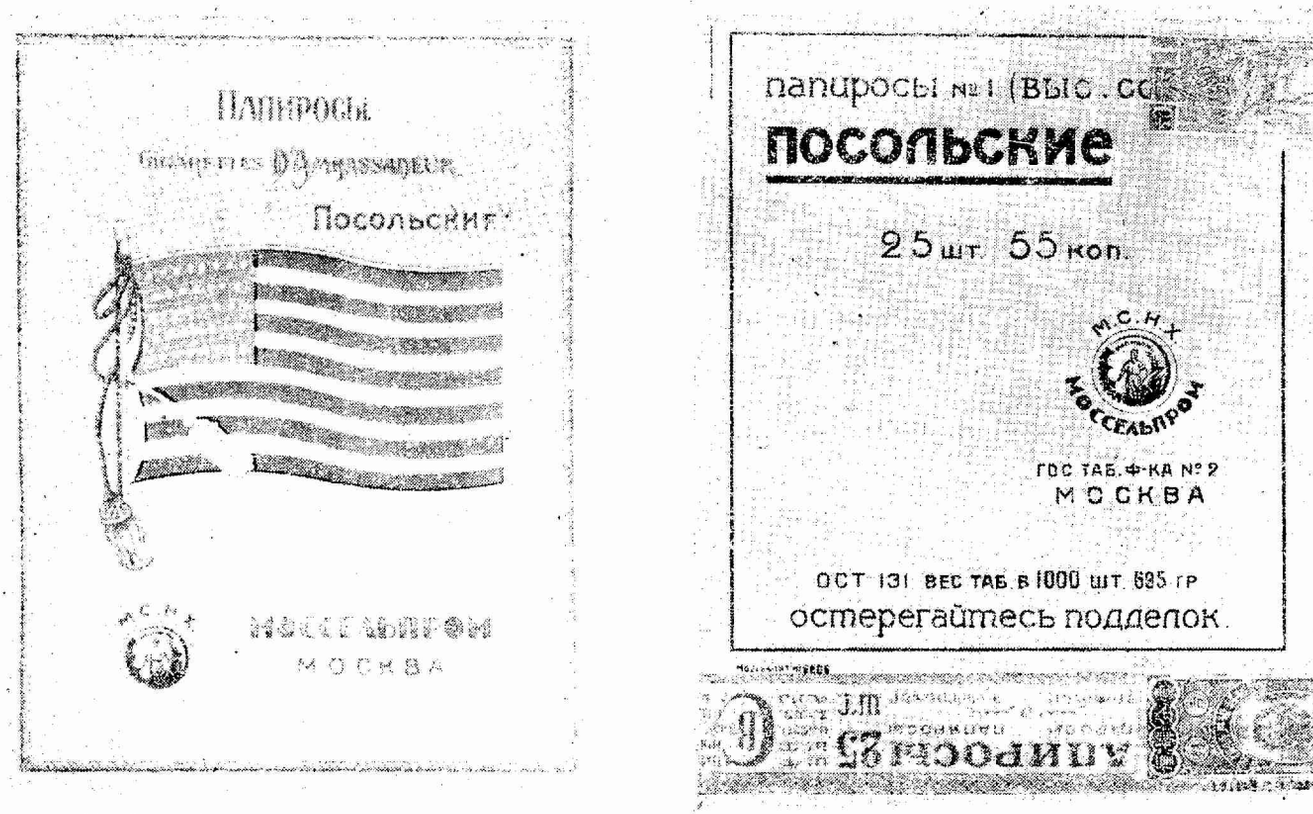
The New Assistant Canadian Trade Commissioner

Bruce A. Macdonald, recently appointed Assistant Trade Commissioner in China by the Canadian Government, arrived in Shanghai recently and has taken up his work. Mr. Macdonald was born at Dawson, Yukon Territory and received his early education in British Columbia, following which he entered the University of British Columbia where he majored in Economics and specialized in the Economics of the Pacific. After leaving the university he was engaged for several years in the shipping and export business in Vancouver.

Bruce A. Macdonald

Prior to his departure for China Mr. Macdonald took a special six months' course with the federal department of Commerce at Ottawa, following which he made a tour of all parts of Canada, discussing with manufacturers and merchants the matter of Canadian foreign trade with special respect to China. Col. L. M. Cosgrove is the Canadian Trade Commissioner in Shanghai.

SOVIET USES U. S. FLAG AS CIGARETTE TRADEMARK



The above pictures are reproductions of the front and back covers of a brand of cigarettes manufactured in Moscow and sold quite generally in North Manchuria through one of the official U. S. S. R. state trading agencies. The picture on the left is the front cover of the cigarette box showing the use or rather, mis-use of the American flag as a trade-mark. Above the flag appears the word "Ambassador" in both French and Russian, this being the name of the cigarettes. Below the flag is the official name "Mosselprom" which represents the official state tobacco agency or factory in Moscow where the cigarettes are manufactured. The other picture is a reproduction of the reverse or back of the package. It gives the price, 55-kopeks, equivalent to about 28-cents in U. S. Cy. The statement, "Beware of Imitations" also appears on the cover. The Soviet Government's use of the American flag as a trade-mark on cigarettes manufactured in Russia and sold in Chinese territory, has constituted a mystery to American officials who have reported the incident to the American Government. By some it is thought the Russians use this method of making customers believe the cigarettes are American made. The use of the word "Ambassador" on the front cover is also interesting in view of the fact that the United States has no ambassador in Moscow. American firms, of course, are not permitted to use the U. S. Flag as a trade-mark.

Industrial Accidents in China

BY H. D. LAMSON

Associate Professor of Sociology, Shanghai College

Part 1

THE INDUSTRIAL revolution has brought many problems to us which were not present, at least in so large a measure, during the handicraft stage of production. Not the least of these problems is that of accidents occurring to workers while fulfilling their duties. The crowding of many people into factories, working with or near dangerous machines and at increasing rates of speed to keep up with the demand for increased production, has caused our annual fatal accident toll of life to rise into the millions. Other agents which kill and maim life are more spectacular, such as war, pestilence, disaster, but the steady results of industrial killing and injuries are just as important, even though they do not receive as much publicity. I think we are safe in saying, even in the absence of statistics, that thousands of workers in China are either killed or in some way permanently disabled by their occupation each year. We shall present some evidence for this statement in this series of articles.

Extent of Industrial Accidents in China

We do not know how extensive occupational accidents are in China because of the absence of statistics; and the gathering of accident statistics is one of the most difficult parts of the work with industrial figures. Records of strikes, wages, hours, are much easier to get at than the records of accidents. Very few industrial establishments keep accurate statistics, or if they do possess records, they are incomplete. There is no uniform practice as to what constitutes an accident. It would seem that most factories consider as accidents only the more serious cases, so that a great many minor cases go unreported. There is no legal requirement concerning the reporting of accidents; hence few firms give attention to accurate accident statistics.

In 1924 Dr. H. W. Decker published an article in the March issue of the *China Medical Journal* setting forth certain facts concerning industrial cases coming to the Industrial Hospital operated by the Yangtzepoo Social Center. His figures are for the Cotton Industry and consist of 880 cases of which 374 were industrial accident cases. Of these latter, 231 were men, 43 were women, and 100 were children. This study included only hospital patients, that is, those who have to stay over night or longer in the hospital. Clinic cases were excluded. Persons under fifteen years were classified as children. The average age of the children was twelve years. The youngest child was five years old.

In 1928, the writer made a study of industrial accidents through a group of students in his Social Problems class. Hospitals were visited and records studied. Facts were gathered in factories and workshops in Shanghai and other cities on schedules previously prepared. Individual case records of workers who had been injured were taken either from the workman himself, or from managers who knew the facts, or from factory written records. It was noted that in many instances the only factory accident record was that which existed in the mind of the manager. Based on these facts, gathered from 26 establishments, including Shanghai, Hangchow, Hankow, and Wuhu, the following table shows the distribution of factory type, number of workers, and the number of accidents.

MILL OR INDUSTRY YEAR 1928	Number Workers	Fatal	Non-Fatal	Total Injured
Shanghai-Lunghwa Arsenal	2,600	6	82	88
Hanyang Arsenal	5,000	1	215	216
Pao Chang Iron Works, Hankow	1,300	35	102	137
Seen Ching Iron Works, Hangchow	12	—	1	1
Heng Tai Iron Pot Mfg. Co., Hangchow	26	—	—	—
Ying Chon Chwang Iron Works, Hangchow	16	—	2	2
Hwa Tung Machine Moulding Co., S'hai	600	5	11	16*
Kiangnan Shipbuilding Co , Shanghai	2,120	3	71	74
Shanghai-Nanking Railroad & Factory	400	1	18	19
Shanghai-Ningpo-Hangchow Railway	240	2	12	14
Zou Kow Railroad Workships, Hangchow	30	—	5	5
Kiangnan Paper Co , Shanghai	520	—	11	11
Peh Sah Tso Paper Mill	720	4	79	83
Shun Hsin Flour Mill, Pootung	890	9	102	111
Foo Sing Fl ur Mill, Shanghai	620	—	32	32
Wei Cheng Weaving Co., Hangchow	1,300	—	3	3
Sun Kee Silk Filature, Hankow	1,018	10	89	99
Hung Feng Silk Filature, Shangnai	450	—	23	23
Kong Lee, Rice Mill, Wuhu	376	1	21	22
Hwa Sun, Electric Appliances, Shangha	260	1	29	30
Electricity Plant, Wuhu	250	1	13	14
Chen Tung Kee, Building Construction	22	—	1	1
Sin Kee ,, ,,	37	1	1	2
Chang Tai ,, ,,	43	—	3	3
Yo Cheng Kee ,, ,,	25	—	1	1
Lee Yu chwang ,, ,,	15	—	—	—
Totals for 26 establishments:—	18,890	80	927	1,007

* 1927

In the case of the company with 35 fatalities, 29 of these occurred when a huge sheet of iron fell due to the breaking of the chain by which it was suspended. The non-fatal injuries occur in the ratio of 11.5 to one fatal injury. In the United States there are 130 non-fatal injuries to one death. This probably indicates two things for the statistics just given: first, that safety work in the plants of the United States have reduced the death rates over a period of years, while in China there has been no safety movement. The second, and perhaps more weighty reason for the low proportion of non-fatal injuries, is that with inexact reporting, deaths are more likely to be reported than non-fatal injuries. Most of the factories stated that they took cognizance of serious injuries only. This probably means that many smaller accidents which are reported in American establishments are not reported in China.

In our figures, there is one death for each group of 236 workers; one non-fatal injury for every twenty workers, or one injury (not specified as fatal or non-fatal) for every 18.7 workers. This is not a scientific way of expressing frequency, and there was not adequate data on all the reports to work out exact frequency and severity rates for all the establishments. The writer has worked out those rates, however, for nine firms in which reasonably full accounts were given as to number and types of injury, permanent disability, and man-hours.

Before examining these figures, we may see what a rough estimate of frequency would be from the grand totals. The average length of the working day would probably be nine or ten hours since the two arsenals and the shipbuilding company, employing about half of our total, only work eight hours a day. The number of days per year would probably vary between 300 and 350. We have, therefore, figured out four frequency rates with these two variables. The frequency rate varies between15.2 per million hours exposure (obtained by using ten-hour-day and 350 working days) and 19.7 (obtained by using nine-hour-average-day and 300-day year). The frequency rate for American industries as worked out by the National Safety Council is about thirty. The reason for the lower frequency in China is probably as stated above, namely, that many accidents are not recorded.

We cannot get at severity rates for the twenty-six firms for all injuries because of the absence of knowledge of degree of permanent disability resulting and the number of days lost from work due to injury. We can, however, work it out for deaths, for in the United States, a death is counted as 6,000 days lost We have 80 deaths recorded. Multiplying six thousand by eighty, we get 480,000 lost-days due to these eighty deaths. Then taking the lowest and highest man-hours figure (out of the four possibilities mentioned above) we can get at the number of days lost per thousand hours of exposure, which is the severity rate. The figures are 7.2 and 9.4 just for the deaths, not counting the severity of nonfatal accidents. The figure of the National Safety Council of America for United States industries in 1925 is a severity rate of 2.02, which includes *all* injuries, fatal and non-fatal. Thus we see that our figure for these firms in China is a very high severity rate. This is likely to represent a truer picture than the frequency rate which not only misses many small accidents, but counts death as only one accident, just as some small injury is counted as one. The severity rate, therefore, is considered to represent the accident situation in truer perspective than the frequency rate.

An Estimate of Extent in Cotton Industry in China

In our study we had no cotton factory; therefore we can present no figures from individual factories. We may make a guess, however, on the basis of American figures. Among fifty thousand textile workers in the United States the accident frequency in 1923-24 was about twelve per million hours exposure. The number of cotton operatives in China in 1928 is given as 241,559. (*Extent and Effects of Industrialization in China,* Nankai University Committee on Social and Economic Research, p. 17). If we take an eleven-hour day as typical and a 300-day year, we get 797.14 million man-hours worked 1928. If we take a 350-day year the man-hours figure becomes 929 million. Since the American frequency rate was twelve per million hours, we multiply these Chinese Cotton Industry man-hours by twelve. We can be sure that frequency in China would be no less, and it probably would be higher because of absence of any safety work in China. The number of accidents in 1928 in the cotton industry for China then would be at least 9,565 or 11,148, depending upon whether they work a 300 or 350 day year. If the average working day should be more than eleven hours, the number of accidents would then be higher. It seems safe to say, then, that China has about ten thousand accidents annually in her industry alone. How many of these are fatal, and how much permanent disability results, we cannot say. In Dr. Decker's report, however, we note that among the men, twenty percent of the accidents coming to the hospital resulted in some form of permanent disability. Among the women patients, 44%, and among the children, 29% of the accidents resulted in some permanent disability. If we should take the figure of 25% as a probable one for accidents involving some form of permanent disability in the Cotton Industry then it would mean that annually 2,500 workers, men, women, and children, are maimed for life. This means loss of job, or returning to work at some lower wage. To many it means poverty and dependency. These figures are only estimates, but they are in all probability low estimates, and they give us some idea of the problem.

There were in this accident study of factories, ten firms for which the data were complete enough to get at severity and frequency rates. Nine establishments showed for 1928 average accident severity rate of 14.36, and for 1927 seven firms had severity of 11 38 per thousand days lost. Accident frequency for the nine firms in 1928 was 18.64, and for eight businesses in 1927 it was 17.37. There was one establishment for which we had the 1924 figure, when the severity was extremely high, at 42.2, being seven deaths out of 300 workers. For ten firms, an average for seventeen total years (one in 1924, nine in 1928, seven in 1927) showed severity of 14.77. For sixteen year-periods (seven firms in 1927 and nine in 1928) there was a death severity of 11.60 and a non-fatal severity rate of 1.46, making a total of 13.06. The fatal frequency for the same periods was 1.99 and non-fatal frequency (for seventeen year-periods) was 16.2.

For purposes of comparison we may cite figures for 1927 for a typical industrial state in the U. S. A., Ohio, and compare them with the frequency and severity rates which we have just given from our study of China.

COMPARISON ON ACCIDENT STATISTICS—STATE OF OHIO, & CHINA

FREQUENCY						SEVERITY					
FATAL		NON-FATAL		TOTAL		FATAL		NON-FATAL		TO AL	
Ohio	China	Ohio	China	Ohio	China	Ohio	China	Ohio	China	Ohio	China
.15	1.99	30.30	16.2	30.45	18.19	.90	11.60	1 22	1.46	2.12	13 06

(The figures for Ohio are for 1927, quoted in *Monthly Labor* Review, March 1929, p. 86 and involve 115,303 workers. The figures for China are from our study involving 20,000 workers in years 1927 and 1928 averaged together with one factory's 1924 figure in the non-fatal frequency average.)

It will be noted that China's death frequency is considerably higher than that of Ohio: 1 99 to 15. The non-fatal frequency of China is much lower, the reason for which has been given above. This would naturally bring down the total frequency for China below what actual conditions would show if all accidents were reported. On the severity side, we probably get a better picture of real conditions. The fatal severity in China is far above that for Ohio: 11.60 to 0.90. This means that there are more deaths per unit of exposure to danger in China than in Ohio. The non-fatal severity is somewhat higher for China. The total severity then for China is about six times that for Ohio. This is not surprising

(*Continued on page 329*)

Chinese Impression of English "Socca"

(*London Daily Express, Dec. 2, 1929*)

How does our great City of London with its pulsating life and its eternal fascination strike the eyes of an Oriental? Does he contrast it with the ageless cities of his own land, or does he too succumb to its lure? Below we publish one of a series of articles by Mr. Han Shih Li, a Chinese on a visit to England who sets forth in his own words his impression of an English bootball match.

BY HAN SHIH LI

After welcoming me with gloom London became an oyster that even five-pound notes could not prise open. For days I wandered about the streets and in and out of glittering eating-houses, lonely. And I found that loneliness in London is like a physical pain because it is so friendly to the imagination.

Then last Saturday in a bookshop I fell in with a small, round, morose man. He turned out to be a comic artist busy buying a week's supply of humor. Sensing my state he kindly offered to show me a slice of English life—a football match. It would cheer, exhilarate me. His rudeness while refusing the fifty slices of humor patiently piled up before him by the bookseller did not make his offer attractive, but a lonely man is like a drowning man: he will clutch at even a comic artist.

Miles and miles we drove in a taxicab, and just as I feared that my simplicity would lead me to a ruined house with a gag in my mouth and a demand for dishonorable ransom, I heard a distant roar of cheering. "That's it!" he cried.

When we arrived at a great row of mean shacks, the cheering might have been by a defeated army at last free to turn brigands and earn an honest living. My guide led me through such a throng of excited humanity as I have only seen on your foolish films, and the other three sides of the rectangle were occupied by more thousands of such frantic humans. A football match? This was a yelling match.

This gigantic crowd was made up of people of all ages. Why were the young men not at their books or benches and the older men not wearing their "wooden skirts" attending to their foreign trade or at home watching over their growing children? This was no day of national rejoicing. What virtue is there in Saturday? It is as good a day for work as any other day.

On a grass plot before us I counted twenty-two half-naked men behaving like lunatics, aimlessly kicking at a resounding leather ball and sliding about after it, covering themselves disgustingly with your black London mud.

So this was your great game of football! I soon realised that you had indeed given it the wrong name. More often than being kicked into the air was the ball bumped into the air by the head or face. Will you not be so loose in your speech and call it headball? At every bump I expected to see a neck concertina-ed or a face emerge as flat as ours.

You must be unpleasantly tough. The players were in reality acrobats, but why perform acrobatics in an inch of water, and with boots on? I can only think that in another incarnation these twenty-two unfortunate men must have been naughty fishes.

There was no regard for the sacredness of the male body! These man were brutishly charging into each other with the express object of sending the other man into the mud, and there were present females watching this lowering of male dignity! How can men behave like this? And there were twenty thousand other men screaming with delight at the unmannerly exhibition.

So Childish!

Each side was simply trying to put that ball of leather into a net at opposite ends of the field. Never have I come across anything more childish. I turned and looked at my gloomy guide. Hastily I moved away from him. I no longer knew the man. He had become transfigured. His eyes were standing out of his head, and his mouth was strained open. One moment he was frenziedly shouting and the next groaning. His umbrella waved wildly in the air until it was snatched from him by an angry man behind. A slice of English life! At last I understood. The man's art was dull, of no consequence, but this threat to human limbs, this was worth while; this satisfied the spirit, this exhilarated!

Backwards and forwards these twenty-two men, without thought of manly dignity, scurried, and they made things hard for themselves. Again and again a man tied himself up in a knot and threw himself in the oozy mud to capture the ball, while all he had to do was to put out a hand and catch it. I had always heard that you were clumsy with your hands, but I did not know that you had learnt to distrust them as this. At last I could stand this gross stupidity no longer, and asked the comic artist to tell his side of my discovery. I was sure this new method of using the hands would bring it speedy victory. Fiercely he turned to me. "This is socca," he screamed, "not that organised murder called ugger!" What "ugger" was I did not know. But if it was more stupid and brutish and lowered men more in the eyes of women than this, I did not want to know it.

Waiting for the Light

My patience was now becoming exhausted. How grotesquely you take your pleasures! Fifteen thousand people were standing in the drenching rain to be exhilarated! Have you no game of chess, no philosophers to discuss or pieces of porcelain to stroke? And the fog was getting the better of the failing light. Still the unseemly scramble went on. The whistle that had constantly for no reason disturbed the game suddenly blew a longer blast, and the twenty-two shameless men began running away, I hoped to hide their heads for ever. Eager swiftly to bury myself in Confucius to ease my emotional indigestion, I prepared to depart.

But no, that was only half the entertainment. Not wishing to appear ungrateful or impolite, I stayed, waiting for the electric light to be turned on. I was certain that scientific as you are you would not allow a small matter as night to spoil your pleasures. But no, in ten minutes when the twenty-two lunatics came on again twilight was fast prevailing over your science. And ten of them came out dresed like zebras. This, thought I, was not even scientific, it was degrading, this was imitating the animals, which is the greatest of sins preached by our venerable sages.

The Frenzy Increases

The aimless scurrying began all over afresh. The yelling increased, and so did the rain and the darkness. Soon it became impossible to see clearly what was happening, but the less they saw the ruder became the remarks of the spectators and the greater the frenzy. The comic artist was now himself as mad as the twenty-two shameless men. But gratitude and politeness could be strained no further. And darkness having descended and the electric light still not turned on, I departed, leaving that pandemonium still going on behind me, and resolved never again to see that comic artist.

Happy was I to plunge again into London's loneliness—that, at least, spoke to the spirit.

Editor's Note. A British resident of Shanghai, who was in London at the time the foregoing article appeared in the London *Daily Express*, wrote a letter to the editor of the paper protesting against the article on the grounds that it could not have been written by any present-day Chinese, the writer also alleging that the article contained several English expressions that could not have been used by a Chinese.

Rehabilitation Loan for Manchuria

A recent Kuo Min dispatch from Shenyang, dealing with the proposed North-Eastern Currency Rehabilitation Loan of $20,000,000 authorized by the State Council, states that it is reported that in order to facilitate subscriptions the North-Eastern Political Affairs Committee has decided to allocate the apportionment of the loan as follows: $6,000,000 to be taken up by industrial and commercial interests in the Three Eastern Provinces: $4,000,000 to be taken up through the Bank of Manchuria and $6,000,000 each through the Bank of China, Bank of Communications and the Frontier Bank; $1,000,000 to be taken up through the North-Eastern Communications Committee; $2,000,000 through the Military authorities; $2,000 000 through various Provincial Departments of Agricultural and Mining; $2,000,000 to be taken up through the joint efforts of the Harbin Administrative Area and the Chinese Eastern Railway Administration; The remaining $1,200,000 is to taken up through the various civil administrative of the Three Eastern Provinces. According to the regulations governing the issue of the bonds the loan will be secured on the Consolidated Rolled Tobacco Tax in Manchuria.

Japanese Design New Gunboat for China Waters

The *Kotaka*, a new gunboat specially designed for service in China waters, particularly on the Yangtsze River, has been sent to China by the Japanese Navy Department. The boat was built by the Mitsui Bussan Kaisha, is 30 meters in length, 5 meters in width and only draws 0.6 meters of water. It has a displacement of 50 tons and a speed of 15 knots and carries three machine guns, 2 anti-aircraft guns and 17 pieces of small artillery.

Status of British Railway Investments in China

AT THE annual meeting of the British Chinese Corporation, which took place in London last month, Mr. Sidney F. Mayers, Chairman, reviewed the position of the Corporation in reference to their investment in Chinese Government Railways, their past and present administration. Mr. Mayers spoke, in part, as follows:—

The continued inability of the Chinese Government to devise means of meeting these payments has the effect not merely of depriving us of funds which are due to members of this corporation, but of impeding us most seriously in the fulfilment of the object for which our company was formed 30 years ago. This object, as you are well aware, is to afford means, in association with the Hongkong and Shanghai Banking Corporation and Messrs. Jardine Matheson and Co., Limited, for the investment of British capital in Chinese Government railway enterprises. In pursuit of this object, during periods when the issue of loans has, for one reason or another, been impracticable. we have made advances to the Chinese Government for railway purposes. The repayment of these advances with accrued interest has fallen gravely into default, and the result is that our power of rendering assistance to the Chinese Government in the task of rehabilitating its railways, after years of internal strife, is reduced.

It is with a sense of deep disappointment that I have again to allude to these defaults, which could have been wiped off rapidly if the Chinese Government had gained more effective control of the railways in which we are interested. At our last annual meeting the National Government had been established at Nanking for barely six months. It was confidently hoped at that time that prompt steps would be taken to deal with railway debts, but 12 more months have elapsed with but little progress in that direction. At the same time we recognize that some progress has been made, though it has consisted for the most part in academic study of the subject rather than in efforts to make payment.

The Peking-Mukden Line

The crux of the railway position, so far as our financial interests are concerned, is to be found in the Peking-Mukden Railway, for the reason that this line is preeminent in its capacity to provide the surplus earnings which should be made available to us in liquidation of obligations secured on these surplus earnings. The usurpation of control of this railway by the provincial authorities of Mukden has, I am glad to inform you, been relinquished to some extent since September last. I say advisedly "to some extent" as we have no evidence yet to show that control of this railway has been effectively assumed by the Ministry of Railways at Nanking. That evidence will not be complete until we learn that the surplus earnings of the railway are applied by the Ministry of Railways to the purposes for which they are hypothecated. In the meanwhile we have learnt recently with satisfaction that the rolling stock and engines of the railway, removed to the Manchurian section of the line outside the Great Wall of China, are at length being surrendered. When they have passed through the workshops for repairs it is to be hoped that earnings will soon be restored to normal figures.

The railway which connects the present seat of government in China, Nanking, with the commercial capital of the country, Shanghai, the Shanghai-Nanking line, affords proof of what can be done by the Ministry of Railways when its control is not interfered with by provincial authorities. The earnings of 1928 exceeded all records and were sufficient to meet loan services, as well as to pay dividends due to net profit certificate-holders for the years 1926, 1927 and 1928. During the current calendar year loan service has been fully met, including the first instalment of amortization, and up to the date of the recent interruption of traffic, earnings have exceeded considerably those of the corresponding period in 1928.

The adjoining line to Hangchow and Ningpo, which is under the same administration and staff as the Shanghai-Nanking Railway, has also done fairly well, and loan service has been duly met.

Control over the Canton-Kowloon line was re-established by the Ministry of Railways early this year and this short railway has done as well as can be expected after its long period of disruption. Its physical condition has been improved with the assistance of funds contributed by the Provincial Government for sleeper renewals and through traffic with the British section has been maintained by means of additional engine power provided by the Hongkong Government. The earnings, however, are still barely sufficient to cover working and maintenance expenses, with no balance for loan service. The defaults on the Sterling Loan of 1907 remain, therefore, without any provision for payment.

The Tientsin-Pukow Line

I now wish to say something on the subject of the Tientsin-Pukow Railway.

Though this corporation is not titularly a party to the loan agreements in terms of which the Tientsin-Pukow Railway was constructed, we are, as you know, closely associated with Chinese Central Railways, Limited, and the duties of our representative in China include attention to the affairs of this important railway.

Of all the railways in which we have interests, the Tientsin-Pukow Railway has perhaps suffered most in recent years from mismanagement coupled with military interference. Other lines, even when disorganized by the effects of civil war, have maintained to some degree their character as public utilities, but for several years past through traffic on the Tientsin-Pukow Railway has been suspended and such sectional traffic as has been carried on has shown no balance over operating expenses. The Ministry of Railways has not yet succeeded in assuming direct control of this line, which is still subject to political and military influence. Its debts for salaries and wages in arrear, for equipment and stores, and for defaults on loan service present a formidable problem.

Indeed, gentlemen, this whole question of what is to be done—what can be done—about Chinese railways, in which British capital has so large a stake, is a formidable problem. An opportunity for its discussion here in London has been recently accorded to us by the Chinese Ministry of Railways. A special representative of that Ministry, Mr. J. K. Choy, has been in London for the past two months, and we have had the benefit of the presence here also of Mr. B. T. B. Boothby, our representative in China. In conferences with Mr. Choy, we have examined a number of great difficulties awaiting solution, and I wish to pay tribute to the energy which has been shown by Mr. Choy in his contribution to our discussions and to his sympathetic recognition of the point of view of disappointed creditors. Whether anything can eventuate from our discussions in the shape of a remedy for the unfortunate position of Chinese railways and their creditors I do not yet know. The nature of the remedy which is needed is perfectly plain. It is, to put it briefly, the resumption of complete control of railway revenues by the Ministry of Railways and their exclusive application to railway purposes, of which provision for the payment of debts is an indispensable preliminary to the restoration of railway credit. Concurrently the remedy must include the restoration of the railways themselves to good physical condition, which involves further capital expenditure.

Confidence in Chinese Railways

That we still have confidence in the ability of Chinese Railways to meet their obligations when reasonably managed is shown by the only business contracted by us during the current year. By an agreement concluded last June we have undertaken to provide the Shanghai-Nanking Railway with eight additional engines, 100 steel goods wagons, and 24 passenger coach underframes on a system of hire purchase. We have been able to do this for the Shanghai-Nanking Railway because the terms of the loan agreement regarding the disposition of the earnings have been duly observed by the Ministry of Railways. We ought to be in a similar position with respect to the Peking-Mukden line, but in the case of that railway the conditions regarding earnings, which are defined by the loan agreement and subsidiary agreements, have not been observed by the provincial authorities in control of the line.

The possibility of providing further financial assistance in the great task of restoring prosperity to railways in which our interests are already so deeply involved must depend, therefore, upon effective steps being taken by the Chinese Government to restore confidence.

This, clearly, can only be done by scrupulous respect for existing obligations, and by carrying out suitable measures for the protection and efficient administration of their railways.

Railway Administration Under The National Government

(The following is the second installment (continued from last week) of a reprint of the history of railway administration in China since the National Government came into being. The full report has been published in pamphlet form for general distribution.)

III. The Organization of, and the Distribution of Work in, the Ministry

The Ministry of Railways plans, constructs and manages all the state railways and national highways. It supervises all the province-owned and private railways.

The Ministry of Railways is composed of:
The Counsellors' Office
The Secretariat
The Department of General Affairs,
The Department of Traffic and Operation
The Finance Department
The Engineering Department.
The Through Traffic Administration
The Bureau of Railway Statistics
The Railway Health Service
The Commissions and Committees.

The Counsellors' Office is composed of two Sections, the Legislative Section and the Compilation Section. This office attends to the drafting, deliberation, examination, compilation, editing, and registry of rules, regulations and Ministerial Orders.

The Secretariat is composed of three offices, the Secretarial Office, the Editorial and Translation Office and the Library. The Secretaries attend to the drafting and custody of confidential correspondence, the deliberation of official documents, the editing and translation of official publications, statements, and documents, and the records of the Ministerial Conferences.

The Department of General Affairs is composed of the Business Division, the Division of Documents and archives, the Division of Education and the Personnel Division. This Department attends to:—

1. The receiving, despatching, distribution, drafting and safekeeping of documents.
2. The issuance of Ministerial Orders.
3. The custody of the Ministerial Seals.
4. The appointment, dismissal, reward, and punishment of the staff of the Ministry and the staff of the officers under the Ministry.
5. The compilation of administrative reports.
6. The training and education of executive and technical personnel for the Railway service.
7. The education of Railway employees and the administration of Railway schools.
8. The Ministerial estimates, budgets, accounting and miscellaneous affairs.
9. The affairs not especially assigned to other offices, departments, bureaus, committees or commissions.

The Department of Traffic and Operation is composed of the Traffic Division, the Operation Division and the Labor Division. This Department attends to:—

1. The supervision, management, improvement and development of the traffic business of the Railways.
2. The management and control of Railway operation and the rolling stocks.
3. The determination of fares and rates.
4. The domestic and international through traffic arrangements.
5. The approval of traffic equipments.
6. The working coudition and protection of Railway employees.
7. The training and control of Railway police.
8. The adoption of plague-preventive and other sanitary methods in the Railways.
9. The supervision of the province-owned and private Railways.
10. International Railway problems.
11. The operation and traffic of national highways.

The Finance Department is composed of the Division of Financial Affairs, the Division of Audits and Accounts, the Division of Railway Obligations and Division of Investigation. This Department attends to:—

1. The drawing up and checking of Railway estimates and budgets.
2. The control and safekeeping of Railway funds.
3. Raising funds for rehabilitation and construction of Railways.
4. The readjustment and repayment of Railway loans and obligations.
5. The auditing of Railway accounts and bills.
6. Railway accounting systems and statistics.
7. The management of Railway properties.
8. The purchase and management of Railway land.
9. The economic planning and investigation of Railways.
10. The supervision of the finance of the province-owned and private Raiways.
11. Other financial affairs of the Railways.
12. The financial affairs of national highways.

The Engineering Department is composed of the Division of Civil Engineering, the Division of Mechanical Engineering and the Planing Division. This Department attends to:—

1. The supervision, management and rehabilitation of engineering affairs in the Railways.
2. The location of Railway lines and the planning of Railway engineering.
3. The supervision and management of the engineering work in Railway construction.
4. The construction of Railway terminus and municipal construction in the Railway zones.
5. The examination in materials for civil and merchanical engineering in the construction of Railway.
6. The construction and management of Railway shops and stores.
7. The suervision of the engineering work in the province owned and private Railways.
8. Other engineering work in the Railways.
9. Engineering work in the national highways.

In the Ministry of Railways, there shall be one minister, ong Political Vice-Minister, one Administrative Vice-Minister, two to four Counsellors, four to eight Secretaries, four Department Directors, twelve Division Chiefs, one hundred twenty to one hundred sixty clerks, one Chief Technical Expert, sixteen to twenty Technical Experts, twenty to thirty Junior Technical Experts and twenty to twenty-four Technical Assistants.

For the planning of the National Railway Network, the national highway system, the unification of Railway rules and regulations, the purchasing of Railway materials and the standardization of Railway technique, the Ministry of Railways organizes a number of committees and commissions.

In the Ministry of Railways, the Through Traffic Administration takes care of domestic and international through traffic and Railway clearing, the Bureau of Railway Statisties takes care of Railway statistics, the Railway Health Service takes care of the medical and sanitary affairs of the various Railways.

IV. Past Records of the Ministry of Railways

The Chinese Government Railways, having suffered repeated damages from internal strife, urgently need rehabilitation. The Ministry of Railways is confronted with two tasks; namely, the rehabilitation of the operating lines and the construction of new ones. As to the former, Minister Sun Fo's policies of Centralization of Administration and Independence of Railway Accounting System serve as criteria: as to the latter, great strides have been made towards the completion of the Canton-Hankow and the Lunghai Railways. The Ministry's work in the last year may be summarized as follows:—

A. Actual Rehabilitation

1. Cancellation of military contribution, abolition of military surcharges and all miscellaneous charges on Railway fares.
2. Settlement and liquidation of domestic and foreign Railway loans and tabulation of Railway indebtedness through purchases.
3. Settlement of Military transport accounts.
4. Organization of the Avisory Committee on the Unification of Railway Accounts and Statistics, putting the accounting Rules and Classifications at work, and adjusting the accounts of the various Railways.
5. Putting the budget system in actual operation.
6. Clearing off the corruptions of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways.
7. Organization of the Railway Health Service, appointing health officers to the various Railways for improvement of sanitary conditions thereof.
8. Establishment of the Railway Police Training camp to train police for the protection of passengers.
9. Establishment of the Purchasing Commission to see that all purchases be made by means of open tender and to effect real economy in Railway purchases.
10. Inauguration of the Nanking-Hangchow through Express Train Service.
11. Inauguration of the Peiping-Pukow through express train service.

(To be Continued)

The Need of a "Downtown" Commerce College in Shanghai

BY PAUL K. WHANG

Shanghai is stigmatized by our aged people as the dangerous place for a young man to stay. It is dangerous, because it is full of pitfalls laid in the form of cabarets, brothels, and gambling resorts, where one can easily get in but hardly get out. The class of the young men who are liable to be caught in the pitfalls are those young business men, who are fresh from the schools and yet unacquainted with "society" and its evils. As they are for the first time in their life, free from the care of their parents and teachers and paddle their own canoe in the midst of a great ocean, they are apt go astray and lose themselves in the great depths. Being young and therefore restless, they are naturally looking after pleasure and excitement. But, however, once they become patrons of these amusement and gambling resorts, they will inevitably find their work monotonous, their earnings not big enough, and feel that they have to resort to various fraudulent practices to get extra money. Thus they gradually lose the fine spirit of youth and good sense of morality, and ultimately they are turned out to be parasites of society. It is lamentable to recount that year in and year out many young business men, energetic and promising, are doomed to an early ruin, simply because they have fallen into the one or the other forms of pitfalls.

When Youth Goes Wrong

Being an employee of a big shipping concern here, I have been daily working together with scores of young men, who are either graduates of colleges or have had some education in high schools. Incidentally I have learned some good lessons from them. Every year we have been met with many cases of embezzlement and other fraudulent practices, the culprits of which, as a rule, are no others but those who are the frequenters of Shanghai's lively spots. A youth just passing his eighteenth year, took away six hundred dollars from the advertising funds which he had been sent out to collect, and spent them all in brothels. Another young man misappropriated the fund with which he had been entrusted to make purchase of rifles to be used by the military guards on board the ships, simply because he had lost heavily in gambling dens. Cases of this nature are too numerous to relate, but in all cases the victims are innocent and energetic youth. I have also found among my colleagues that many of them would rather pursue the policy of spending their monthly pay in one-night of enjoyment and living the other twenty-nine days with empty purse, and that those who are not affected by Shanghai's night life frequently complain that their life is dreary and irksome, as they can not find any decent places to pass the dull nights.

Being the premier port in the Far East, Shanghai is the hunting ground for young men seeking after jobs. Although statistics are not available, there must be hundreds of thousands of young men working in different business houses. From this vast number, how many of them could resist the temptation of Shanghai's evils? And how many of them would not further their studies by taking up some courses in night schools after office hours? But alas! Shanghai only boasts of the number of its pleasure-seeking and money-spending resorts, and it does not provide even a public library, where one may spend the dull nights in reading. Thus many of our promising youth are made the victims of circumstances, and their downfall is not entirely their own fault.

In view of the need of the Shanghai business world, Dr. Herman C. E. Liu, president of Shanghai College, has recently sent a circular letter to Chinese and foreign firms in Shanghai, suggesting the possibility of establishing a "Downtown" College of Commerce in Shanghai. Dr. Liu's letter states that such a plan has been under consideration for some time, the idea being to have such a school open after business hours somewhat along the line of the London School of Economics and the Downtown Branch of New York University. The purpose of establishing such an institution is manifold:

(1) To provide opportunity for those who have been deprived of their education through their necessity of making a livelihood, but who are yet anxious to further their studies on some particular subjects;

(2) To give proper training to those who have not received any school training at all and consequently whose chance of promotion to higher positions is very slim;

(3) To bring efficiency to the business houses when their employees are better equipped to handle their jobs;

(4) To open an intellectual asylum to those who would otherwise squander their money and time in the amusement and gambling resorts; and

(5) To uphold the moral sense among employees. While their leisure hours are occupied, their avenue of money-spending is closed, and their tendency towards fraud will be considerably checked.

A Long Felt Need

Dr. Liu's suggestion, if carried out, will fill the long felt need in the Shanghai business world, and all the business leaders should cooperate with him to make it a reality. The writer, who took up several courses in New York University, would bring up two points in connection with the establishment of such an institution. First, the courses it offers should be general and practical. From my own experience, I have found that Book-keeping and Accounting, Commercial Laws, General Business Knowledge and Practice, Business English, and the Shanghai Money Market are some of the many courses which will be very helpful to the young business men. Secondly, the instructors and lecturers should be recruited from the big commercial houses, as only those who are actually engaged in business are well versed in the ins and outs of business transactions, and capable of presenting the practical side of a problem. Moreover, the class should be conducted mostly in lectures, as textbooks, most of which are of foreign origin, only deal with principles which may hald good in foreign countries but which may not apply to local business conditions. I should further suggest that, if it is possible, the managers of big firms should encourage their employees to attend such institution at the company's expense.

From the moral and intellectual standpoint, Dr. Liu's suggestion can do immense good to the Shanghai business people, employers as well as employees. While we can by no means convince the local authorities to limit the number of "bad" resorts, we should at least open up some intellectual asylums for those who are above indulging in the frolics of Shanghai life and are thirsty after useful knowledge.

Kemmerer Report to be Translated into Chinese

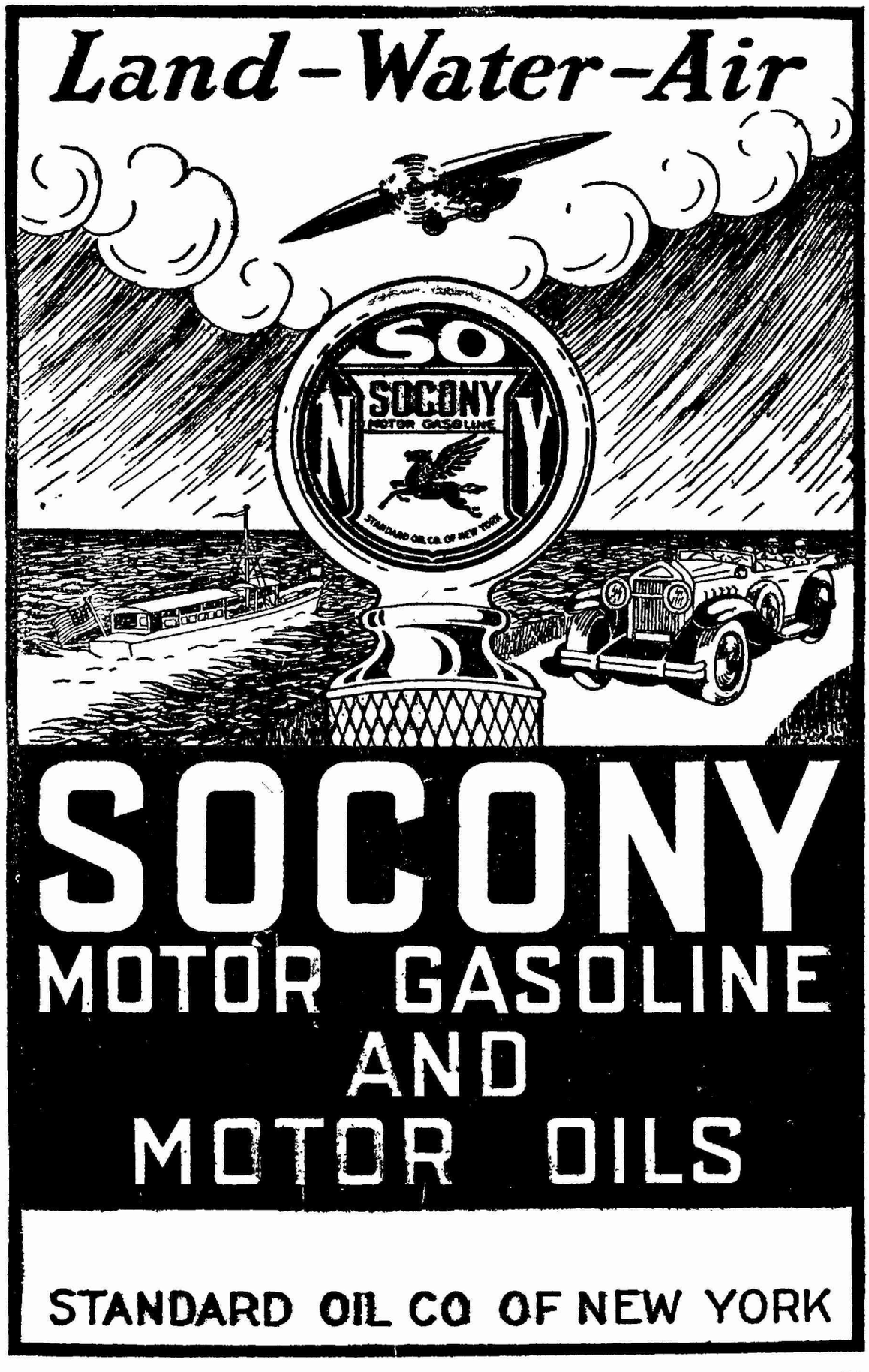
The Chinese Ministry of Finance has completed arrangements for the translation of the Kemmerer Commission's reports and recommendations into Chinese. The work has been undertaken by the National Research Institute, which has appointed an editorial board with Y. W. Wong as the Chairman.

The Ministry of Finance, according to the *Kuo Min* News Agency, will, however, not make public any of these reports and recommendations until they have been translated into Chinese and presented to the Government. It is expected that the first publication will take place early in February.

A recent dispatch from Nanking stated that Y. W. Wong is regarded as particularly competent to head the translation board. Mr. Wong has mastered many foreign languages, including English, French, German and Japanese. After serving as Professor of History in the China National Institute from 1908 to 1911, he became secretary to Dr. Sun Yat-sen and concurrently a section Chief of the Ministry of Education, of which he was for a time a Vice-Minister. He was formerly Editor-in-Chief of the Commercial Press and is now head of the Department of Sociology of the National Research Institute. With him are associated a group of Chinese who are experts in economics and law.

Chinese Shipping Affected by Silver Slump

A recent *Kuo Wen* announcement is to the effect that in consequence of the recent silver slump, particularly at this time when the Chinese New Year is at hand, the import and export business shows a big drop and that this in turn seriously affects shipping business. During the last week more than 80 merchant vessels have been lying idle in the Shanghai harbor. The total net tonnage affected amounts to 190,000. Since the freezing of Tientsin harbor no Chinese boats are running between Shanghai and Tientsin, Tsingtao and Dairen. There are only two Chinese vessels running between Shanghai and Chefoo. On the southern coast, the Chinese shipping service has been suspended for some time. Owing to the recent cold spell on the Upper Yangtze shipping above Ichang is reported to be at a standstill. With the return of the Government troops from the Honan front, Hankow feels the need of more vessels to ship off the soldiers, which helped to decrease shipping business on the Great River. There are only three or four Chinese boats running between Shanghai and Hankow for the current month. The enforcement of the solar calendar accounts for another factor in decreasing shipping business in the Yangtsze districts. Ordinarily, the Chinese merchants clear their accounts in the period between the 20th to the end of the 12th Moon, but with the enforcement of new regulation, they have to settle their indebtedness ten days earlier.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China's New Era

BY DR. JULIUS KLEIN
Assistant Secretary of Commerce

NEVER, perhaps, in all her long history has China claimed so great a share of the world's attention and thought as today. Her neighbors, the Asiatic peoples, are watching with profound interest the development of a new spirit of nationalism in this oldest of the earth's nations, and Western peoples are hardly less interested in the economic and commercial factors which are bound up in China's struggle for national unity.

What has been happening in China in recent years—the breaking up of old political forms, the military and trade disturbances, the creation of new social orders—is only a continuance upon the Asiatic mainland of that industrial revolution which began for western peoples over 150 years ago, and reached Japan hardly 60 years ago. It is the transition of a people from medievalism to modernism, from hand production to machine production, and the organization of a modern state—in which commerce and industry are of no less importance than political structure. In the last 80 years, since the formal establishment of relations with Western powers, China has undergone more changes than in the previous 30 centuries. Since 1911 she has been through a vast metamorphosis of evolution and revolution in the effort to "make herself over."

But at last China appears to be emerging from the state of revolution into what we may hopefully characterize as a state of civil order. With the worst of her distressful days seemingly behind her, she is embarking upon a remarkable program of reconstruction and expansion. In the development of this program she has appealed to Europe and America for help, and they have responded by sending to China some of their foremost experts to advise and guide the Chinese people in their new problems.

Mandarins and Queues Gone

Some of us in America have not paid much attention to China since our school days, when we learned about it as a land presided over by the "Son of Heaven," and filled with rice fields, pagodas, mandarins, missionaries, and hair-queues. The rice fields, the pagodas, and the missionaries are still there, but the "Son of Heaven" and the hair-queues are gone, and the mandarins are going. In the China of today there is more talk of air-mail routes, radio stations, or surfaced highways than of all those ancient institutions combined. Those old phrases the changeless Orient," "the unimpressionable East" are no longer applicable to China. Powerful, imperfectly apprehended forces are at work reconstructing its life and thought, its economic systems, its goals of national achievement. There is an awakening, a shifting of bases, a stretching out toward new aspirations. Age-old shells of tradition, the incrustations of custom, are being gradually broken up. Modern methods and modern viewpoints are penetrating ancient molds. We observe a hunger among China's millions for the inventions and contraptions that the West has devised in its endeavors to make human life more comfortable upon this old planet of ours.

Ever since Western Euorpeans first heard about China, that country has been a distant dazzling goal for traders. Marco Polo, first of European travelers, went there, rose to high authority, and returned to Europe to amaze merchants and storytellers alike with the marvels of his tales. Far Cathay was the goal that Columbus strove to reach when he saw "America first," and raised the standard of Spain on a little island in the Bahamas. Henry Hudson was trying to find a Northwest Passage to China when he perished in the Arctic ice. In America we still have La Chine Rapids on the St. Lawrence River as an ironic reminder of the disappointment of the heartbroken French explorer whose goal likewise was China.

China One of America's Oldest Customers

It was China that lured the American clipper ships, of glorious memory, to the East. It may be news to some that the United States is one of the oldest of China's regular customers, although the Portuguese, the Spanish, the Dutch and the British were before us in sporadic attempts to inaugurate trade between the Middle Kingdom and the West. The First American clipper ships out of Boston and New Bedford arrived in Canton in 1784, and by 1805 some 37 American clippers had carried nearly $6,000,000 worth of American goods to China, and brought back about an equal amount of Chinese products. It is a matter worthy of national pride on the part of both peoples that in all their 145 years of intercourse since, there has been scarcely a break in the feelings of friendship and amicable intercourse between them.

In those early years Western trade with China was confined to a very few commodities indeed. Cotton piece goods was the largest item of Western manufacture and comprised about 30 per cent of China's total imports. Kerosene oil made its modest appearance in the Customs figures first in 1863, and by 1890 had increased to but 3,500,000 gallons. In 1928 the total imports of kerosene oil into China amounted to 258,000,000 gallons, of which the American share was 205,000,000 gallons. Raw Cotton, timber, paints, and window glass make up the remaining principal import items in the early trade. A Canton Customs report for 1890, however, notes that "For his clothing the Chinese finds the foreigner's cotton suitable; for his light, kerosene and matches; and for his workshop, metals and dyes." A newly developed taste for American flour is attributed by the Customs Commissioner to 'the refining influence of Western civilization, further evidenced...by his growing desire for condensed milk."—of which over 12,000 dozen tins were imported in 1928. In 1928 exports of American flour to China totalled considerably over $10,000,000 and the value of our condensed milk trade with China exceeded $2,000,000, while other Western countries had also large shares in the trade of both these commodities. The modest kerosene trade of a half century ago had grown into an importation of more than $36,000,000 worth of petroleum products from the United States alone.

Increase in China's Exports

Fifty years ago China's list of exports to Western countries was likewise one of comparatively few commodities. Our Commercial Attache, Mr. Julean Arnold, in a recent compilation, states that tea comprised 50 per cent of China's exports at that period and silk 40 per cent, while only two other products, sugar and straw braid, rated above 1 per cent. It is interesting to compare this with 50 or more items exported from China in 1928 with a value of more than 1,000,000 Taels each, all combining to make a total export trade for the last calendar year of around 1,000,000,000 Haikwan Taels.

Trade between the United States and China in both directions has been generally speaking, always satisfactorily progressive, especially in recent years. American exports to the whole of China in the last five-year period preceding the World War totalled but a little over $31,000,000. They reached the high average of $141,000,000 in the years 1920-24, and capped all preceding records in 1928 with a total of $165,183,000. For the first three months of the current year, however, according to preliminary figures, our exports to China have exceeded $58,000,000 in value, and if this record should be kept up for the remainder of the year it would mean a sale of American products to China in 1929 of considerably beyond $200,000,000,—a share in American export trade generally exceeded only by Great Britain, Canada, Germany, Japan, and France. Heading the list of our exports are those prime commodities which we are sometimes pleased to call "American specialties," such as kerosene, tobacco and cigarettes, raw cotton, timber, and flour. But machinery and automobiles are forging their way toward the head of the list, and the new developments in China are calling every year for more and more of our manufactures of railway equipment, electrical machinery, constructon equipment, and improved agricultural implements. There has been also in recent years an increasing interest in China in many forms of American foodstuffs, especially such as fresh and canned fruits and fish products from our Pacific Coast region.

Commercial Importance of Woman's Movement

A point that I have not seen sufficiently stressed in the story of the new China and one which appeals to me as of real importance in China's commercial and economic development is that of the new position of woman. In America we read that China's women are at last being largely released from their age-old restrictions, and that they are emerging into a full share of the social life of their communities. In Western countries, and particularly in America, it is the woman who buys; and where she is not the direct buyer, it is largely for her convenience

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or comfort or adornment that nearly all the great strides in construction and transportation are made. If China's men folk do not know this now, they will learn it in time. The requirements of womankind is the greatest single factor in world trade, and where a whole nation of them suddenly emerges from isolation into a position of social equality their influence on all forms of economic activity is tremendous. I look to see a great development in Western commercial relationships with China as the woman movement in China advances.

Generally speaking the United States has always bought more from China than it sold there. The fragrant teas of Fukien, Kwangtung silks, the laces and lacquers of South China had a great appeal for our grandmothers and they still have for us. The United States takes more than 25 per cent of all China's exports and is usually her best customer. Our purchases in China exceeded $170,000,000 in 1927, and while they were somewhat less the following year, due to the difficulties of getting them out of the country, they amounted to nearly $50,000,000, according to preliminary figures, in the first three months of the current years. So it seems apparent that they are coming back into greater volume than ever before.

Silk Still Prominent Among Exports

Some of the most useful and interesting commodities that enter into American industrial life come to us f.om China; such as wood oil, antimony, tin and tungsten—products which, with the exception of tin, we should find it difficult to obtain elsewhere in the quantities we require. Silk is, of course, among the most ancient and famous of all the products which China has furnished to the Western World. We read in the old chronicles that before the dawn of the Christian Era China's silken banners were carried to the Caspian Sea, there to meet the banners of Rome, and thus the way was paved for her caravan traders to introduce the silks of China into Europe. Silk remains today, with the exception of the lowly soya bean, the most important item in China's export trade, and China sells the world more than $125,000,000 worth of silk every year. It is true that her neighbor, Japan, now over-shadows her in silk products for the world's markets; but with the restoration of order and the development in China of newer methods of production, it seems almost inevitable that China's silk is going to come into its own again.

One of America's largest source of supplies for hides, skins, and furs, especially furs, is China, from whom we purchased no less than $32,000,000 worth of these products in 1927 Then the bulk of our carpet wools comes from Manchuria and Mongolia; the eggs and egg products needed by our bakers to supplement our own "hen fruit" are brought to us from the Yangtze Valley; the delicacy of Chinese teas still appeals to the palates of our epicures. America is still the most important market for the bristles of the China pig, and for those hairnets whose importance has been latterly somewhat eclipsed by the boyish bob, but which seem to be on the way back to their former importance because "they," are "letting it grow again."

It would be futile to deny that the course of commercial intercourse between the Chinese and Western peoples in recent years has been somewhat dark and distressing. But, due very largely to the heroic struggle of China herself, the impression of the outside world is that conditions in China are brightening now. As a recent note of our Government has said, "a new and unified China is in the process of emerging from the chaos of civil war," and "the American people welcome every advance made by the Chinese in the direction of unity, peace, and progress"

As China continues to advance in her struggle for national unity and the economic development of her people, it seems inevitable that her industrial development will be bound to make great advances. New railroads will be required, new highways, new methods of transportation and communication—such as the radio and the airplane—new factories for meeting the increased needs of the newly awakened vast population. These great innovations mean better wages and steadier work for the people. The result will be a general rise in their standard of living, which will widen the market in China for many classes of Western manufactured goods and industrial machinery. In all this the United States will undoubtedly have her just and reasonable share; and, in return, it seems not only reasonable but inescapable that we shall continue to buy in larger quantities, as our own needs increase, commodities which our industries and the habits of our prosperous people require from China.

China's Internal Loans Past and Present

(By E. Kann in the North China Daily News)

AMONGST the many achievements of mediæval China may be counted the invention of banknotes and the introduction of the cheque and draft system. Loan certificates as testimony of a funded debt owed by the state to its own, or to the citizens of other countries, were, until comparatively recent times, unknown in China. The use of negotiable loan bonds for the first time in history has to be ascribed to the old Venetians who, towards the close of the 12th Century, had issued bonds bearing interest, negotiable and redeemable and forming a direct obligations of the state.

Before the opening of certain treaty ports to foreign intercourse, in 1842, China was free from public debt. This feature may be ascribed to the modest requirements which the government household claimed from apparently commensurate revenues. At that time China had no standing army,—the principal lever for the raising of government loans. In the case of emergency the militia itself furnished much of its not too elaborate equipment.

The first loan contracted by China dates back to 1865, It was a foreign loan for altogether £1,431,664, granted by a London bank. The proceeds were used for indemnifying Russia for losses sustained by some of her nationals in Ili. During the next decade China raised loans for purposes of pacification expeditions. Some of these advances were made in sterling, while others were issued in taels, secured on the revenues from the Shanghai Customs.

These incidents are mentioned merely with a view to recording the period when China began to embark on a policy of financing government requirements by means of public loans. For the rest it is intended to omit in this essay the discussion about foreign loans contracted by China as not directly bearing on the subject matter.

Manchu Internal Loans

Reccunting the names and terms of the internal loans floated in China would be unfruitful to our task. It is the policies causing the authorities to issue internal loans, the purposes to which proceeds were allocated. Yet it becomes obviously impossible to draw conclusions from a problem the genesis of which is left shrouded in darkness. Therefore we shall have briefly to review the start.

The impetus for issuing the first Chinese internal loan came from the outbreak of war with Japan. The "Merchants Loan of 1894" was to be raised from the merchants domiciled throughout the country. The security pertaining to this loan, the rate of interest and the period of redemption, varied considerably in the different provinces. It is not known how much the first internal loan was expected to yield to the Treasury. Actually it brought 11,020,000 taels only. This deplorable result forced the Government to seek loans from abroad.

A second attempt was made in 1898 with the flotation of the "Trust Loan" for altogether 100,000,000 Kuping taels. This issue was secured on the salt and land taxes, the bonds calling for 5 per cent. interest per annum and for redemption after twenty years. Considering that no Chinese banks of issue were then functioning, that no money market existed in the country, and that neither native insurance companies nor stock exchanges were known at that time, it was not to be wondered at that the proposed loan issue proved a failure. Subscribers for 10,000 taels were to be awarded official titles, but this bait had practically no effect, and whatever little was subscribed, could only be obtained by applying coercion to the rich gentry.

These disastrous results convinced the Manchu Government that it would be waste of energy to appeal to its people for further aid. Complete abstention was therefore practised, and only towards its very last days of existence did the Imperial Government, under the leadership of the late Yuan Shih-kai, endeavor to float within the country the "Patriotic Loan" for $30,000,000, calling for 5 per cent. interest, being secured on the receipts of the Imperial Treasury and promising redemption in nine years. At that time the revolt against the Manchus had broken out in Wuchang, an additional reason for the failure of the flotation. Altogether $1,646,790 had been "subscribed" by the provinces of Chihli, Shansi and Honan, apart from $10,160,000, contributed by the Imperial House, the nobles and the civil and military high dignitaries of Peking.

This is the complete history of the Imperial Government's attempts at raising loans within its wide domains, —a story of dismal failure.

Republican Loans

The revolutionary Nanking Government of 1912, starting its career without means, also had to have recourse to the issue of an internal loan for altogether $100,000,000 at 8 per cent. interest. However, only $7,371,150 were obtained, the bonds having been issued largely in lieu of salaries to civil and military officials. It is not intended to enumerate here the numerous loans actually floated by the Peking Republican Government between 1914 and 1926. On the other hand, the writer desires to draw attention to the contrast in policies which have been adopted by the various Finance Ministers in connection with the flotation of internal loans,—both as regards motifs and results.

On the one hand there were well funded and administered issues, as for example the Third Year and Fourth Year loans, and still more so the Eleventh and Fourteenth Year issues, both of the last named having been secured on the deferred Boxer Indemnity. In contrast thereto the Peking Administration has issued loans which were badly, or only nominally, secured and frequently defaulted on. Such instances are numerous, and only the most flagrant cases are touched upon here. In 1914, the First Year 6 per cent. National loan was issued, and as sufficient subscriptions failed to materialize large parcels were sold, or forced upon capitalists, at prices as low as 20 per cent. of face value. In 1921 this loan had to be consolidated at the ratio of 40 to 100. Although a certain security was then apportioned to this issue a balance of $32,000,000 odd (out of $54,000,000 odd issued) is still to this day unredeemed, with $24,476,000 overdue.

Similar comment applies to the 7 per cent. Consolidated loan. But after all, these two issues are tolerably well secured, interest coupons are regular in being met, and redemption of capital is proceeding surely, though with delay. Incomparably worse are the second series of these issues, pledged to Peking banks at a time when the Government was very hard pressed for funds. Amounting to altogether $34,000,000, these issues are really without security; the interest coupons are being left in default. At least as bad, from the standpoint of the investor, is the 96 million dollar loan, nominally secured on the salt surplus, but actually in default for the entire capital redemption, and also for interest.

Inspector-General's Charge

It has been pointed out that the Third and Fourth Year loans were amongst the popular Peking issues; as a matter of fact the amount offered to the public was oversubscribed. Yet the original dates of repayment could not be adhered to and had to be extended for many years. Nevertheless these bonds became secured, after 1917, on the deferred portion of the German and Russian Boxer Indemnities. Moreover these issues were the first ones of which the administration was placed into the hands of the Inspector-General of Customs who, in the course of events, became custodian for many of the future loan issues emitted by the Peking Government.

A further innovation of considerable importance is the creation of the National Consolidated Loan Service under the control of the Inspector-General of Customs. The scheme was definitely inaugurated on April 1, 1921, and called for a yearly appropriation of $24,000,000 from the total surplus of the Maritime Customs revenue and of the 50-li Native Customs revenue, after all prior obligations thereon have been met.

In spite of the chronic state of financial embarrassment, so typical of the Peking Republican Government, the latter succeeded in raising enormous amounts through the flotation of internal loans. And what is more praiseworthy, it managed to repay the major portion of its loan obligations, leaving, however, a considerable amount to its successors, the National Government, for liquidation by the latter.

Compared with the loan policy followed by the Manchu Government immense strides have been made by the Peking Republican Administration, not merely in regard

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The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

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to the amounts actually raised by means of internal loans, but especially in connection with the custodianship of the loan funds by the Inspector-General of Customs. Moreover an active bond market had, in the course of years, sprung up in Peking and Shanghai, and while admittedly the bulk of bond transactions in the local bourse was intimately connected with speculative aspirations, there was nevertheless, a wide market for internal loan bonds within the country. Capital redemption often had to be deferred; but in the end the money overdue, together with interest, was forthcoming, and in most cases this particular class of investment proved very remunerative to investors.

Internal Loans Issued by National Government

As in so many branches of the administrative and economic life of China far-reaching progress has lately been achieved in connection with the flotation of public loans. Since its assumption of power, synchronizing with the entry of its armies into Shanghai, the National Government has placed its issues on a firm foundation. Between May, 1927, and September, 1929, the total amount actually flotated by internal loans on behalf of the National Government aggregates $418,000,000, of which $70,637,000 had, by December 31, 1929, already been redeemed.

It is noteworthy that since the assumption of power by the National Government the latter has abstained from soliciting loans from foreign sources, but has instead secured its financial requirements from the proceeds of fourteen internal loan issues. Nanking's loan policy, and the effects resulting therefrom, are totally different from the hectic attempts to obtain money at any price, so characteristic of the defunct Peking clique, without pausing to ponder over the possibility of redeeming its issues on due date.

In contradistinction to its predecessors the Nanking authorities have acted in accordance with well matured plans, their endeavors always being directed towards the necessity of offering to subscribers an appropriate *quid pro quo*. The financial authorities are fully alive to the fact that bonds are intended to form a perfect investment by offering the maximum security for the invested capital. They know that government bonds represent a loan which upon maturity must be repaid, while interest has to be met at dates originally agreed upon. Loan bonds, in order to form an attractive investment, must be readily negotiable and marketable and ought to combine all the advantages inherent in negotiable instruments with the virtue of sound investments.

In discussing the policies which have been guiding the new Government one must not lose sight of the aims of the sundry loan issues. Naturally, almost all the proceeds have gone towards balancing the budget or, let us be still plainer, towards meeting the stupendous military expenditure. Enormous sums had to be raised for maintenance of large armies; and at a later date hundreds of million dollars were required for disbanding the superfluous troops. There is no denying the fact that the bulk of the loans issued by Nanking have had to serve purposes of a distinctly unfruitful nature. Against this argument the Government is likely to assert that, without this undubitably huge expenditure it could not possibly have attained its aims.

Points in Nanking's Policy

A comparison with Peking's loan issues will disclose vital differences, all of which favor the Nanking Administration. Let us briefly review the most typical points characterizing the loans offered by the National Government.

(1) The outstanding feature of the National Government's loan policy is to be seen in the fact that it has found new sources of revenue, that it has regulated and enforced the collection of the enhanced income and that it has assigned proceeds to a sinking fund which is to take care of a scrupulously punctual loan service. Entirely new sources of a considerable extent have been found in the increased Customs Duty, in the special tax on tobacco and wine and in the enforcement of the bill stamp tax.

(2) The high rate of interest, ranging from 8 to 9.6 per centum per annum, in face of splendid security. Combined therewith the life of most of the loans is very short, final redemption on the majority of the issues taking place from within two to five years.

(3) On six of the Treasury Bond issues redemption of capital, as well as payment of interest, is taking place monthly. This innovation means that every bondholder receives refund of his capital invested in regular monthly instalments, without drawings, all holders being thus treated on equal terms.

(4) Within a short space of time a large market for the National Government's loan issues has been created in Shanghai. Already now the turnover in bonds is considerable with a distinct tendency to increase rapidly. Hitherto foreigners have invested rather sparingly in this class of securities, but a change of attitude is already clearly observable. The foreign public is evincing a keen interest in present-day Chinese securities and is likely to make large investments in these.

(5) The marketability of this class of bonds has induced the Chinese banks readily to grant loans to holders at low rates of interest and against margins on market prices of say 30 per centum.

The Sinking Fund Committee

(6) One of the most important innovations is to be found in the functioning of the Sinking Fund Committee, a body of men of high integrity and proved value. Out of the fourteen loans hitherto issued by Nanking eleven are administered by the Board of Trustees in charge of the Sinking Fund, the latter functioning in Shanghai. The remaining three loans not cared for by the said Committee are the Tientsin 2½ per cent. Customs Surtax issue and the Seventeenth Year Loan for Military Purposes, the latter being secured on the stamp tax, and the Haiho Conservancy loan.

The Sinking Fund Committee is composed as follows:—

3 Government appointees,
2 Kiangsu Provincial Committee members,
2 representatives of the Shanghai Bankers Association,
2 representatives of the Shanghai Native Banks,
2 representatives of the Shanghai Merchants Union,
3 representatives of the Shanghai Chambers of Commerce.

The Sinking Fund Committee elects five from its members as Executive Trustees, a body of which Mr. Li Ming has been acting as Chairman since its inception. The said Committee is the sole and independent organization taking care of practically all the National Government's loans, present and future. Its functions are inviolate as long as the loans placed under its care have not been completely liquidated.

The collection of the funds forming the security for the National Government's loan issues is being attended to by the Maritime Customs. On the 25th day of every month the Inspector General transfers specific amounts to the care of the Sinking Fund Committee for the satisfaction of the service of the respective loan obligations. The tax on tobacco is turned over to the Trustees either direct by the British-American Tobacco Co., or by the Government Tobacco Tax Bureau, proceeds so far having always been more than adequate for the satisfaction of the loan service. The Sinking Fund in the custody of the Board consists mainly of cash held in the vaults of the Shanghai Bankers Association building.

The Trustees publish monthly detailed statements showing income and allocation of funds in direct connection with the loan service. Chartered accountants certify periodically the statements relating to cash held in vaults and banks.

This is brief, though complete, account of China's policies in connection to her internal loan issues. It is hardly appropriate to speak of "policies" with reference to the clumsy attempts on the part of the Manchu Government, and neither with regard to the frantic endeavors to raise money at any price, so typical of the defunct Peking clique. The arrangements made by the National Government for the service of its loan obligations, and the scrupulousness with which these arrangements are being adhered to, place its bonds in the category of sound investments.

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Causes and Cures of Civil War in China

BY WEN YING PENG

(Chinese Lecturer; President, Chinese Society for the Advancement of International Law and Relations, in Current History Magazine for January).

ONCE AGAIN civil war is harassing China, a country already exhausted by internecine strife during the last dozen years. The present struggle promises to be more extended, if not more bloody, than any in recent years. What are the causes that have led to it?

The present war was averted several times in one way or another during the two years before its outbreak, and its postponement has rendered it more serious, more unmanageable and more devastating. On the one side there is President Chiang Kai-shek, head of the Nanking Government and of the Conservative section of the Kuomintang, ruling over the richest sections of the country. On the other side there is General Feng Yu-hsiang, once known as the "Christian General," the most spectacular figure in China today, also the most astute and the most ruthless, leading the best disciplined and the most personally loyal army of 200,000 strong, descending from North China to the rich Yangtse Valley. Is it a mere personal struggle for power between two military leaders? What will be the effects on China, if one or the other should prevail?

The high hopes for a long period of peace and progress under the Kuomintang regime entertained, not only by the supporters of Nanking, but also by many who do not entirely agree with them, have now been so thoroughly shattered that recovery must be held to be extremely doubtful. When can China have peace? Under what conditions can real peace, and not six or twelve months' truce, be finally established in China?

History at a Breakneck Speed

To understand the civil war in China, the best approach is perhaps that of the historian, for China today is making history just as any other nation is and the present situation is properly to be regarded as but one stage in a great historical evolution. The remarkable feature of the situation is that China is making history at breakneck speed and under conditions peculiarly its own. What then are the characteristics of this period of transition?

Within the last twenty years China has probably gone through more changes than all the changes during the previous twenty centuries. Not one but several great historical revolutions are taking place simultaneously. A four-thousand-year-old monarchy is being changed to a republic; autocracy to democracy; an international "semi-colony" to a sovereign State; medieval agricultural-handicraft economy to modern industrialism; family loyalty to individualism; Buddhism, Confucianism and superstitution to Christianity, perhaps, but to science eventually; order to disorder, and to order again; everything old to something new—a thousand changes, a thousand conflicts and a thousand struggles, in ideas, institutions, groups and individuals. In these circumstances, China's wars represent merely the most acute and violent phase of the rapid social, economic, political and ideological transformation. The present outbreak of hostilities is simply an episode in the struggle for final supremacy or an unfinished act in the long-drawn campaigns and battles, nor will it be the last unless conditions for real peace are established and an early victory is assured to the forces and ideas that are destined eventually to triumph.

Among the more obvious and important causes of the turmoil is the practically complete lack of modern means of communication in China. With an area larger than that of the United States, which has 250,000 miles of railway, China possesses only 7,000 miles. The mileage of modern roads in China, if compared with that of the United States, is almost negligible. It takes more time to travel between some provinces of China than to go to America or Europe. Movement of large bodies of troops and munitions over the more distant and mountainous sections of the country becomes almost impossible and prevents the thorough carrying out of any nation-wide military campaign. The generals in remote sections of China are thus able to declare their independence of the central government, knowing that the government troops cannot easily reach them or that, in the event of defeat, they can withdraw to a still more remote district.

Difficulties of Transportation

The forces led by General Feng, for instance, after being defeated near Peking in 1926, retreated to inner Mongolia and the borders of Chinese Turkestan. A year later Feng re-emerged as one of the strongest factors in China. When Chiang Kai-shek was successfully leading his Northern expedition three years ago, crushing one enemy after another, he might then have dealt a blow at Feng had it not been for difficulties of transportation. Chiang, however, compromised and incorporated the entire army of Feng, giving the latter the Vice Presidency in the government. Now that the truce is over Chiang Kai-shek is again facing the problem that confronted him three years ago. With troops mostly of doubtful loyalty, it is highly problematical whether he can overcome Feng's army, which is the best disciplined China has. Even if Chiang could prevail, the story of 1926 might be repeated with another early reappearance of Feng in the arena of conflict.

Besides Feng's army there are various other independent armies in the north, south and west of China which owe their existence chiefly to their being inaccessible. Almost completely isolated from the rest of China, the big Province of Szechuan, with an estimated population of about 50,000,000, has been a constant battlefield during the last decade among the petty local Generals.

Unless, therefore, a good system of railways and roads is developed, knitting all parts of China into one, it is difficult to imagine how civil wars can be eliminated and real peace achieved.

A second equally important cause arises from defective army organization. There is actually no one army in China, only humerous armies each responsible solely to its own leaders. Any adventurer who can gather a large enough following of armed men creates an army of his own. The officers and the men are then taught to be loyal only to their commandess—that is, the hands that feed them. These leaders, knowing nothing of civil responsibility and control, take the power of the local government into their hands and use it to oppress and plunder the people. They are ever struggling for greater power and gain. Sometimes they are on one side, sometimes on another, only soon to desert it to join a third, or perhaps declare themselves neutral in a pending conflict. Frequently these local Generals enter into bargains to sell themselves to the highest bidder. At their best they resemble the fighting noblemen and petty princes of medieval Europe; at their worst they are little better than organized banditry.

A Pernicious System

Allowances may be made for a few leaders who are upright and patriotic. But even they are at the mercy of a pernicious system. General Feng Yu-hsiang, for example, may be conceded to have a number of personal qualities, just as his army has the credit of being the best disciplined in China. Yet no country can have any use of such a man and such an army if it is to enjoy responsible government and establish real peace within its borders. No danger can be greater to society than to permit the power of life and death, of peace and war, to be concentrated in the hands of one or a few ignorant adventurers, supported by large numbers of armed mercenaries and free from outside control. In Feng's army every one, from the common soldier to the highest subordinate officer, recognizes no other duty than to obey his superiors, who pose as his friends and benefactors rather than as the paid agents and officers of the State.

Feng rules, exacts obedience from the people in the territories under his control, declares peace and war and imposes the penalty of death whenever it appears necessary to him. He is subject to no outside agencies of control as are the commanders of the armies of Western countries, for there is no constitution to respect, no central government strong enough to impose its will. Feng can make and unmake laws in complete disregard of the people's interests, and whatever public opinion there may be he can suppress as he pleases. It is true that he may recognize a moral duty toward his subordinates and the people he rules, but he rules solely by virtue of

his own authority and according to the dictates of his own conscience and judgment.

It would be unfortunate for China if Feng or any other militarists were to be victorious. On the other hand, real peace can hardly be obtained should Chiang Kai-shek win. A large section of Chiang's army consists of remnants of mercenaries who have loosely pledged their allegiance not so much to the central government as to the good pay they receive. The better elements in Chiang's army are the troops led by the Whampoo cadets. These, however, were trained as a Kuomintang army and were taught to obey the principles of the Kuomintang only. Such troops readily become involved in party struggles and are almost as unreliable as the mercenaries.

Until all the existing independent private armies are completely eliminated, and a real national army controlled by the representatives of the people is created, permanent peace in China cannot be a reality.

A third important cause of the present condition of China is the present form of government. Not democracy, but dictatorship, is ruling China. Nominally the country is under the dictatorship of the Kuomintang, or Nationalist party, whose membership numbers less than one in five hundred of the total population. Actually, however, the dictatorship is in the hands of only a small fraction of the party, for democracy exists neither outside nor inside the party. There is no effective legal way for the party to remove its leaders, just as there is no constitution for the country to displace the ruling party. Despite the defects of democratic government, it possesses the undeniable advantage of employing elections instead of bloodshed to decide political issues. China today, however, is under a dictatorship, and revolution and the use of force become the only alternative means to effect a change in the policy or personnel of the government. Thus, within the ranks of the Nanking opposition there is to be found the entire Left Wing of the Kuomintang, led by Wong Ching-Wei, an old disciple of Sun Yat-sen and a veteran leader of the party. Though the alliance of the dissatisfied Left Wing with the militarists betrays an utter lack of wisdom, who else can be blamed except those in power when all opposition is ruthlessly suppressed and no other way is left open to bring about a change in the government? Civil war and revolution cannot be abolished until machinery for the peaceful settlement of disputes is set up and China discards dictatorship in favor of democracy .

Primitive Economic Organizations

A fourth great obstacle in the way of real peace is the relative lack of common economic interest among the large majority of the people. Ninety per cent of the population are engaged in either small-scale farming, domestic handicrafts or purely local trade. The farmer with a five-acre farm can scarcely produce a surplus to sell in a distant market; neither can be afford to purchase manufactured goods to any extent. The country shoemaker, the small town carpenter or the village blacksmith, each using his two hands as motive powers, can produce only enough to meet the demand of the immediate neighborhood. The customers of the local trader generally consist of the people he knows, and to them the service and protection of a progressive government do not seem of great importance. There is no need for a national market, and an autonomous national tariff administration can appeal to them only on sentimental and patriotic grounds. They own no stocks or investments in the war zones, so that if fighting should occur a hundred miles away it worries them less than it would a modern Western manufacturer a thousand miles away, for the fighting might then cut the latter's supply of raw materials or the demand for his finished products. In other words, war is less intolerable in a society with a primitive economic organization than in one with a highly developed industrial system.

Fortunately modern industry and commerce have already made great advances in many parts of China, especially along the coasts and in the Yangtse Valley. This modern enterprise is like a spider weaving an ever wider web over the country. A new set of common interest is thus being developed, the village outlook is being discarded and war in any part of the country is becoming no longer tolerable. Thus is reflected in the increasingly

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strong demand for a progressive government, for an autonomous protective tariff, for national unification and for peace.

This demand was voiced through the Nationalist movement of the last few years. The success of the movement, the crushing of a number of reactionary militarists and the attempt made to unify the whole country under one government represented a momentary triumph of the new forces created by the existence of modern Chinese industry and commerce. It is significant that the Nationalist revolution originated in South China and had its base at Canton, the first modern Chinese city, and that since then the more important industrial centres, including Shanghai, Hankow and Canton, have been brought under the direct control of Nanking. During the past two years several revolts against the central government in those sections have all failed, not so much for military reasons as the result of the unseen pressure exerted by the people in those sections, who realize that their best interests require peace, unification and a strong government. Nanking may not truly represent the interest of the new industrial and commercial forces of China, may not be competent to deal with the new problems, but it is a sign that the remedy for sectional wars has been found. The day that nation-wide industry and commerce bind together every section of the country will be the day when civil war is really banished from China.

Intrigue of Foreign Powers

The last but by no means the least important cause of civil war in China must be attributed to the intrigue and rivalry of foreign powers. It is too long a story to recount how China was beaten in war by foreign powers during the last century, how her outlying territories were taken away one after another, how her customs, postoffice and ports came under the control of the powers and how her land and waters today swarm with foreign troops and gunboats. China, in brief, was forced to open her doors and become an international "semi-colony." These powers had their motives in disturbing a peaceful people, for China possesses great advantages for the disposal of surplus products, sources of raw materials and outlets for the investment of surplus capital. Some powers also find China a suitable object for the satisfaction of territorial greed.

Once the "open door" policy was forced upon China, the powers were determined to maintain it and silence those who opposed it. This meant conflict between the imperialist powers and the rising tide of Chinese nationalism. In the past almost all reactionary Chinese governments and generals have been supported by foreign powers because they were more docile than the revolutionary progressive governments and parties. When Yuan Shih-kai needed money to suppress the republican forces in 1913 the powers granted him a huge sum in the form of a reorganization loan. Japan made loans of hundreds of millions of dollars—the Nishihara loans—to the pro-Japanese Anfu faction during 1917-19 to conduct an extended internal war. In 1928, while the Nationalist army was marching successfully to take Peking, Japan suddenly poured 30,000 troops into Shantung and directly engaged in battle with the Nationalist forces.

China has been described as an international hunting ground, where each power may struggle for spoil in the form of trade, investments, loans, government contracts, advisorship or political dominance. The most effective method, and that most frequently employed, has been for each power to try to create a puppet government that would grant it special favors and prior rights. Many a revolt in recent years has received inspiration, direction and support from foreign sources. It would have been impossible for rebel armies to survive so long and so successfully if it had not been for the ample supplies of funds, arms, ammunition and expert advice and assistance which frequently came from foreign countries. It is safe to say that many of the recent outbreaks of civil war have been by no means purely internal in character, but represented the rivalry and conflicts of the great foreign powers in China. China, can never enjoy peace and harmony so long as she is subjected to the rule of foreign masters. The unequal treaties which converted China into an international hunting ground must be terminated. A peaceful China must be also a strong and independent China.

How The Japanese S.M.R. Monopoly Functions

(The following illuminating article dealing with the Japanese Government-owned South Manchuria Railway monopoly in South Manchuria, appeared in the form of an editorial in the Japan Chronicle, British newspaper published at Kobe, Japan, on Jan. 11).

GRADUALLY the reports take shape concerning Dr. Sengoku's intention to dispose of some of the subsidiaries of the South Manchuria Railway, but the plan is as yet far from definite. According to a report appearing in the Japanese newspapers, Dr. Sengoku puts the number of subsidiaries to the railway at fifty-seven, and says that some are not such as are suitable for railway management. According to his plan, he is reported as saying, all the companies closely associated with the railway business of the company are to be merged into the company, while others are to be sold to private interests. There is no indication where the line is to be drawn. The Dairen Government's report on progress in Manchuria gives the following as "direct undertakings" of the South Manchuria Railway:

Railways	Y.248,277,556
Harbors and Wharves	59,789,109
Vessels in Harbor Service	4,044,933
Coal Mines	102,730,711
Iron Works	20,747,711
Sanitation	14,550,686
Education	13,489,848
Municipal Undertakings	134,979,952
Others	46,231,332

The indirect undertakings as given in this report consist of something over 200 million yen invested in securities of affiliated companies, public bonds, and loans to Chinese railways. Whether the "direct undertakings" will all come within the range of Dr. Sengoku's definition of close connection with the railway company is not clear, but it may be supposed that some of these directly owned enterprises will be disposed of though there is a large degree of interdependence between them. Even the sanitation, education, and municipal undertakings are all matters of concern to the company's employees and they are among the responsibilities that it is least easy to dispose of. Dr. Sengoku, in the interview quoted, talks quite freely of "various evils now attending the management of the business of the company," and of his intention to devote its future activities solely to economic pursuits. But it is said that as the plan has an important bearing on the Government's Manchurian and Mongolian policies, there will be various obstacles to putting it into effect. It is perfectly true that there have been many complaints of the "evils," but since official reports deal only with good and eschew the evil, little that is definite except recurrent "scandals" can be stated. One of the most persistent complaints has been that the S.M.R. has contributed largely to the Seiyukai party funds; another item which was rather striking was the report during Mr. Yamamoto's presidency of the railway management having sent an ultimation to Mukden. Indeed, railway control and strategy are so closely involved with each other in time of civil war that the political position of the railway followed inevitably on the political relations of Japan and South Manchuria. In such matters, however, it would strike the outsider that the proceedings were more regular if the Kwantung Government were heard of a little more and the South Manchuria Railway a little less. The Railway's policy of lending money to the Chinese provincial Government for the construction of railways, and of constructing them itself, necessitates the arrangement of various securities which necessarily have a political aspect. As has already appeared, a strict or a lenient reading of a contract may have an important strategic effect on the course of a civil war that is being conducted outside the S.M.R. area. The railway also, from force of circumstances, keeps its own police, but whether the maintenance of a secret service fund is a necessary corollary may be open to doubt.

A Closed Marked to Rest of World

The more the concern develops the more difficult it becomes to pursue what most of the authorities appear to

consider is the soundest policy—that of not allowing it to become too comprehensive and monopolistic. Steamship services, electric plants, hotels, mines and iron works all co-operate advantageously with the railway; they give one another special rates, and thus tend towards monopoly. An instance of how a concern like the South Manchuria Railway carries its influence beyond that which is generally legitimately exercised by a railway is seen in the through rates of which only Japanese cargoes get the advantage, and the position of advantage gained by partial Government ownership is seen in the effective objections raised to new lines described by a powerful stretch of the imagination as parallel. There can be no doubt that the Government working of the railway, while it has made travelling safe and has contributed largely to the development of the country, has also tended to make South Manchuria a closed market to the rest of the world. Criticism on these lines, however, does not come from Japanese sources; the "evils" which they admit or denounce are those from which sections of the Japanese themselves suffer.

On the other hand, it cannot be denied that, under the enterprising direction of some enlightened Japanese officials, the railway has done many good works which private enterprise might have failed to accomplish. For instance, there is the shale oil plant, in which the railway has recently invested eight and a half million yen. This could not have been done by private enterprise, as there is too much risk in it, notwithstanding the careful calculations made of the ultimate costs of production. The fact that the Navy Department used a good deal of pressure in getting it started is also not altogether a recommendation; nevertheless, it is an enterprise which clearly adds to Japan's vital resources and is almost sure, in course of time, to prove an exceedingly valuable investment. Many other activities which are not commercial at all, and which no commercial concern would have undertaken, yet which are destined to contribute enormously to the economic development of the province, have been pursued by the Railway. Experimental farms and laboratories have been started in many places. In this connection it is only fair to point out that the enterprises which these have made possible have in many cases been turned over the private enterprise. A tussah filature, a pottery factory, glass factory, brick kiln, sorghum alcohol distillery, dyeing and weaving mill, bean-oil mill, and other concerns were started experimentally and, when proved to be feasible, were put on a separate footing. It is possible that all this was not carried out without somebody obtaining illicit favors, but the point is that the railway has not started out with Monopoly as its definite aim. Monopoly is rather a natural development which it is difficult to avoid. The foundation of a geological institute sounds, perhaps, a little more purely scientific than it was actually meant to be. Its workers have, however, some important achievements to their credit. From being functionaries connected with a coal mine at Fushan, they have become discoverers and developers of important mineral resources.

Nationalism Increases Friction

The South Manchuria Railway had, of course, an almost unexampled opportunity, and only by stupidity could it have failed; but this does not lessen the credit due to those whose creative labors have built it up into such a comprehensive and active concern. Politically there are some grave objections to it. It fixes Japan permanently in an alien country, because the Chinese would never be able to raise the money necessary to buy them out. If all subsidiary enterprises were handed over to private enterprise, and were mostly acquired by the Chinese, this situation would be materially changed; but the Chinese are somewhat shy of taking them over, and if they were all transferred to Japanese hands, it would be more difficult than ever to restore Manchuria to China, because all the Japanese owners would object in the most emphatic manner. How the business will all end nobody can say, and there is no finality in mundane affairs anyhow. Manchuria, largely through the development made possible by the railway, has become a land of promise for Chinese who found Shantung and Chihli intolerable; but the big Chinese population is sure to chafe in time against the Japanese predominance. Nationalism increases the risks of friction continually, and only if it declines in force can Japan's position in Manchuria be a happy one.

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New Books of Interest in the Far East

Nations of the World

This World of Nations, Foundations, Institutions, Practices, by Pitman B. Potter, the Macmillan Company, New York, 1929. 366 pages with bibliography, and index.

The author of this book is a member of the faculty of Wisconsin University. His book is a comprehensive study of the present world of nations. The various governments appear collectively as members of an international entity whose internal relations are becoming defined through inescapable contacts. The author takes an impartial position, and in the words of his preface "is devoted or committed to only one main view in regard to this whole international problem. That is that the present world ot nations must, as a matter of reason and policy both, be at once and from now on provided with organized international government commensurate with the world-wide individual and international interests which are developing year by year. By this he is quite prepared to stand."

The book contains twenty chapters, each of which is followed by its own bibliography. Professor Potter is a clear writer with an easy style, so that one finds his book very readable. A careful reading of it will give one new insights into many contacts, situations and institutions of international politics and law. Treaties, diplomacy, international federation, war and peace, Pan-Americanism and the League of Nations are other subjects of discussion.

"International law does not regulate international migration or the distribution of raw materials or the rationing of food supplies," says the author. "Hence these vital matters are left the playthings of international bargaining, the foot-balls of international politics. It is the absence of any accepted principles and rules upon these topics which makes it possible for the nations to take divergent attitudes and seek advantages in connection with these matters—in Europe, in Asia, in Africa and in America—by the exchange of concessions and even by pressure, intimidation, and war. International politics fill the space left untreated by international law.. The evolution of a precise standard of international ethics and a sharp definition of international justice remain to be achieved but this does not mean that no justice exists in the law at present..... What is still more serious, national courts, acting upon what is coming slowly to be recognized—by students and courts alike—as a mistaken conception of their function, refuse to apply international law when in conflict with national law, though they admit the continued liability of the nation under the former. Diplomatic demand is very simple and easy to make, and is much more effective than might be supposed, but after all it is rather weak unless met by a conciliatory attitude on the part of the other nation or unless backed by force or threat of force. Agreements for submission to arbitration are still today less effective than could be desired and without them arbitration cannot be had. And recourse to force is difficult or expensive and is dangerous as will be appreciated without further statement: in addition many nations have now bound themselves not to resort to war under such circumstances."

The chapter on War is especially well written. The author's conclusion is that "war is strictly incompatible with modern life, social and individual. Business and normal individual life, sane thinking and feeling and human behavior generally are all put out of existence by such an abnormal procedure. War and civilization can not be reconciled in principle or in fact..... The most serious indictment of war lies in the fact that it does not necessarily accomplish any result in terms of its original objective even when it is successful, and even if we disregard its inordinate cost. War fails because it is ineffective."

In his chapter on Future International Affairs Professor Potter makes some penetrating remarks about private individuals, parts of which even our Shanghai tourists might read with profit. "The private individuals who take part in international life vary widely in outlook. There is the clergyman who preaches peace and the military man who preaches war—there are, of course, preachers who clamor for war and military men who clamor for peace, but they are the exceptions. There is the coast dweller who is sensitive to the outer world and the inland dweller who is an isolationist. There are the exporters and the importers, the sailors and the travelers, and many more. They all occupy their posts in the game of international affairs with widely differing ideas and feelings. The influence of the stay-at-homes is very persistent and often effective. Men and women who never make any direct contacts with other nations or nationals of other lands, who never consciously read foreign literature or come to know and appreciate foreign culture often express themselves strongly on international problems and exert decisive influence on public international affairs. Stay-at-homes voting for war or peace, for national isolation or intervention, on insufficient grounds of information or judgment, are a menace to the nation and world peeace as well. Almost as dangerous are those who have made some contact with the outer world but have not benefited by it in thought and mind. They may have touched upon foreign life too briefly or too carelessly. They skimmed the surface and acquired little sound understanding of the things they saw. Lacking real information on foreign affairs, they go upon grounds of sentiment—'I just love Italy!' or 'I think Italians are so cruel, don't you?'—, or merely on personal grounds—'I spent a summer in Germany, you know, and I think it is a wonderful country!' The results are hard to calculate.

Individuals and corporations with business interests in foreign lands are impelled by much more definite and stable motives. It is the fashion to hold the international trader, banker, and concession hunter responsible for a good deal of the trouble which develops in international relations. For this there is good reason; competitive efforts for raw materials and sales markets at times are very dangerous to world order. The other side of the balance is important also: most of the international traders and bankers of today are impelled by motives which coincide entirely with programs for greater international stability and peace coupled with freer international trade and intercourse of all kinds. They want to make money; this may involve competition with foreign business; it may, however, involve combinations with foreign concerns; and it does not in the great majority of cases mean dangerous international rivalry. Just as modern science has outstripped modern political and ethical thought, so modern political thought and practice have fallen behind the development of contemporary economic organization and activities. World order is coming not in spite of, but upon the basis of, modern international economic practices."

The more students there are of such books the sooner will order come into the present confused international situation. "An individual . . . . may merely talk with his fellow-citizens in the cafeteria or across the bridge table. He may merely think! And his thoughts, his conversation, his speeches or his writings, his activities in this or that or the other organization will have their due share of effect—provided he himself understands."

G. B. S.

Further Steps to Reorganize China Merchants S. N. Co.

A decision was reached at the second plenary session of the Central Executive Committee at Nanking recently to appoint a special committee to attend to the reorganization of the China Merchants S. N. Co. Wang Peh-chun, the Government's representative in the management of the Company, drafted the regulations governing the special committee, which is to consist of nine members. Besides the Minister of Communications and the Minister of Industry, Commerce and Labor, who shall be *ipso facto* members, four other members are to be appointed by the State Council and the remaining three will be nominated by the Shareholders' Association for appointment. A Standing Committee of three is to nominate and recommend for appointment, by the State Council, a General Manager, who shall be responsible for the direction of the affairs of the Company under the supervision of the Committee. Sectional chiefs and branch office managers are to be appointed by the Committee at the recommendation of the General Manager. All other staff members are to be appointed by the general manager. Provision is made for foreign experts for navigation, accounting, and other technical services.

Suiyuan Province to Build Network of Motor Roads

Plans for the construction of a network of thirteen motor roads linking a number of the more important and populous districts in the province of Suiyuan with a total mileage of about 940 miles as a means of providing employment for the large number of able-bodied adult famine refugees in the North-west as well as to facilitate communication in the province, have been announced by the Suiyuan Provincial Department of Reconstruction. The total construction cost is estimated at about $700,000.

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How China is Meeting the Silver Crisis

The recent slump in the price of silver continues to be the chief topic of conversation in business circles in China, both foreign and Chinese. The Chinese press states that due to the low price of silver in connection with other conditions, industries in China are on the verge of bankruptcy. The cost of articles which must necessarily be imported, such as the better grades of cotton, wheat and tobacco have gone up tremendously in price, reckoned on a silver basis. China's cotton mills must import between one and two million piculs of cotton a year to meet the demands of consumers. Most of this imported cotton comes from India, and some of the better grades from the United States. At present prices, the mills are afraid to import. About half of the wheat used by Shanghai flour mills is also imported. At present prices the millers are likewise afraid to import. Which ever way the situation is viewed the Chinese populace will have to pay much more for its flour. As regards tobacco, while it could hardly as classed as a necessity, the demand in China has grown enormously. One of the effects of the recent heavy cost of American tobacco has been to bankrupt a large number of small Chinese cigarette making establishments, which up until the time of the decline in silver were making handsome profits.

Chinese political and financial leaders are doing their best to be of assistance in the present crisis. In a ministerial circular order to the different provincial governments throughout the country, Dr. H. H. Kung, Minister for Industry, Commerce and Labor, has suggested a number of remedial measures against the recent silver slump. The statement is summarized as follows by the *Kuo Wen* news agency:

"On account of the recent silver slump, China has suffered tremendously. As it is my duty to improve the situation, I have recommended to the State Council a number of remedial measures, such as to protect the people's properties, to improve the relations between laborers and capitalists, to improve the means of communications, to abolish harsh taxations, to encourage use of native products, to establish international exchange banks, to adoptal gold standard for the Customs and to abolish likin, etc., which were, I am happy to say, all passed and a mandate has been issued to this effect. Although it is the duty of the National Government to undertake these, their success depends much on the support of the different local governments.

"If one studies this question carefully one can easily realize that the most effective measure is to improve the use of silver; which in turn means the development of home industry. At present our home market is full of imported articles. Although much has been said about the development of home industry for the last two years or so, if we go over the Customs Report for 1927 we can see that the import was Hk. Tls. 194,310,000 in excess of the export and for 1928 the figure goes up to Hk. Tls. 204,610,000 in favor of import business. It is indeed a great loss to us.

"Under these circumstances, the best for us to do is to develop industry in daily necessities so that China may to be able to secure a new market abroad, thus to counterbalance the demand for gold. I should therefore like to ask you kindly come into touch with those leading commercial and industrial organizations in your place for a joint effort to effect the common aim. The following recommendations, simple but important for the promotion of home industry, should be carried out in your place:—To notify all government employees to use native products, to advise the public to follow suit and to assist the local industrial and commercial organizations for a movement to use native goods; all factories, private or otherwise, should be thoroughly reformed so that their output might be increased and quality improved: meanwhile, increase of prices prohibited; to investigate special products in each province and to encourage their export. In case the management is in financial difficulty or otherwise the local government should render every assistance; special and favorable treatment should be accorded to exporters. If necessary, their export duty should be exempted; and the production of raw materials, such as agricultural products, lumber, minerals, etc., which are in great demand abroad, should be highly encouraged. Special attention should be drawn to gold mines."

In recent identic communications to the Central Political Council, the State Council, the Ministry of Finance and the Ministry of Industry, Commerce and Labor, the National Associated Chambers of Commerce of China, after dwelling at length on the causes of the recent silver crisis, urges that while the fundamental remedy lies in the adoption of the

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Cities through which the line at present operates are celebrated for their temples and walls and gates. Changsha, with a population of 500,000, is especially worth visiting. It is called the cleanest city in China and it is noted as the only city in the south which withstood the seige of the Taiping rebels who scourged China more than half a century ago. Trade is flourishing here always, the principal articles dealt in being rice, tea, paper, tobacco, hemp, paulownia oil, earthenware and antimony. Chuchow also is an interesting city, having many temples of note. The road from Shiuchow to Canton, and thence to Hongkong, is safe, comfortable and operates with first class service.

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Gold standard, two other important measures—unification of the country's currency and the adoption of the dollar as the monetary unit must also be immediately effected in order to place the country's finances on a sound basis. The Chamber has also endorsed the proposal of Dr. H. H. Kung Minister of Industry, Commerce and Labor, to give adequate protection to all private property and investment so as to promote the development of industrial enterprises.

The Civil War in Central and South China

A telegram from Wuchow January 21 stated that Chang Fa-kwei with about 2,000 men had fled to Western Hunan. Commander Chen transferred his right wing troops to Souyen and Laipo in order to advance toward Liucheng to suppress the Kwangsi rebels there. Lu Huan-yen personally led his troops to effect a junction with the 8th Route Army for an attack on Liucheng. The defeated rebel soldiers at Kiung-chow have been reorganized by Chen Ting-ping, whilst all ringleaders were shot.

A telegram from Pengu January 24 stated that only a small part of Shih Yu-san's troops remain stationed there and these will move westward after the arrival of Government troops. The previous day Shih ordered his subordinates not to recruit any bandits or volunteers. He stated that he is ready to return to the Railway Administration all rolling stock recently commandeered by him. He sent Han Fu-chu a telegram stating that he would accept the appointment as pacification commander in Honan and obey Chiang Kai-shek's orders to send his troops into the Kweiteh-Pochow region. The Central Government has dispatched troops to fill up the vacant posts in Kuchen and Pengpu after Shih's departure. Bridges and sections of tracks destroyed on the Tientsin-Pukow railway by mutinous troops are being repaired.

A telegram from Nanking January 22 stated that Yang Hu-cheng, after his troops had occupied Sichwan, had ordered Tsao Shiu-wen's brigade to the Paiting-Sisiakow area to search for enemy troops. Rebels under Liu Ming and Li King-tien were defeated by Tsao and retreated to Chwaochwang, where they are on the defensive.

American Preacher in England Accused of Political Sermons

Dr. G. Chalmers Richmond, an American clergyman, temporarily engaged in church work at Hull, England, was transferred to Scotland because of charges that he had preached "political" sermons. A report in the *Manchester Guardian* on Dec. 21 stated that while Canon F. Arthur Berry, Vicar of Drypool, under whom Dr. Richmond worked, had denied that there was any political bias in Dr. Richmond's sermons, Canon Berry's secretary stated that members of the congregation had complained about the political nature of the sermons. Dr. Richmond expressed surprise at his transfer, particularly after his name had appeared on the church notice board. He stated that some of the younger men of the congregation had supported him and that a series of sermons was scheduled on the subject, "Is Socialism in England more Christian than under Queen Victoria?" It was stated that Dr. Richmond would be given other work in Scotland.

Shanghai Nanking Railway Shows Increased Profits

The *Sin Wan Pao* states that the revenue of the Shanghai-Nanking Railway in 1929 showed an increase of about one and one-half million dollars as compared with 1928. The total revenue of 1929 was $12,426,250, including $9,477,085 earned from passengers rates, $2,826,133 on freight and $123,032 miscellaneous. The total revenue of 1928 was $10,876,083. The revenue of the Shanghai-Hangchow Railway was also increased last year. The total revenue for 1928 was $5,622,-075, including $3,904,557 on passengers, $1,647,382 on freight and $69,736 on miscellaneous. The revenue for 1929 was $6,063,589, including $4,134,369 from passengers, $1,723,068 from freight and $106,152 miscellaneous, an increase of $441,514. as compared with 1928.

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INDUSTRIAL ACCIDENTS IN CHINA

(*Continued from page 310*)

since hundreds of thousands of dollars have been expended in America on safety campaigns, guarded machinery, factory inspection, which are absent in China.

COMPARISON ON ACCIDENT RATES—CHINA AND THE U.S.A.

FLOUR MILLS

FREQUENCY				SEVERITY			
FATAL	NON-FATAL	TOTAL		FATAL	NON-FATAL	TOTAL	
U.S.A.	CHINA	U.S.A. CHINA	U.S.A. CHINA	U.S.A.	CHINA	U.S.A. CHINA	U.S.A. CHINA
.34	1.45	27 86	19.75 28	20 21.20	2.06	8.75 2.44	.03 4.50 .05

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The Flour Mill figures for the United States are from the 1926 experience of states reporting all disabilities extending beyond the day of injury, and include 3,889 workers. (Monthly Labor Review, March 1929, p. 90) The flour mill figures for China include the experience of one mill averaged for the two years, 1927 and 1928, including 1,584 workers (694 for 1927 and 890 for 1928)

The Paper Mill figures for the United States represent the 1926 experience of states reporting all injuries extending beyond the day of injury, including 16,770 workers. For China, the figures represent two mills in our study for the years 1927 and 1928 averaged, four separate year periods representing 2,430 workers (1,140 for 1927 and 1,290 for 1928)

It will be noted that the figures under "Fatal" for both frequency and severity are very much higher for China than for the United States. Under the "non-fatal" column the figures for China are lower than for the United States except the paper mill non-fatal severity which is slightly higher for China. As stated before, the severity rates are the most accurate picture of the real problem. The frequencies in China are probably no less than those in America, the discrepancy being accounted for by greater accuracy and completeness of reporting in the latter country.

Above we mentioned that a rough estimate of the frequency for the 26 firms in our study for 1928 was between 15.2 and 19.7. For 18 firms in 1927 the corresponding figures are between 20.8 and 26.8. These 18 firms had 8,393 workers in 1927 and incurred 47 fatal accidents and 628 non-fatal accidents; a total of 675. The death severity alone varied between 8.7 and 11.1, whereas the death severity for 1928 for the 26 firms was between 7.2 and 9.4. It should be remembered that these figures just mentioned for the 18 firms in 1927 and the 26 factories in 1928 are approximations. In 1927 the 18 firms gave a death for every 178 workers, and a non-fatal accident for every 13 workers.

(*To be continued*)

Changes at the Shanghai Provisional Court

Announcement was made during the week that the conferences at Nanking between the Chinese and foreign delegates which are to decide the future status of the Provisional Court had come to an end, and that the agreement which had been come to now awaited the signature of the Legations at Peking of the various Powers concerned.

A *Reuter* dispatch from Nanking Jan. 24 stated that it had been learned that the agreement was for three years, that the new Court would be known as the District Court, and that the deputy judge system would be abolished.

A *Kuo Min* dispatch from Nanking Jan. 27 stated that the reorganization would be started on February 1, although the agreement governing its reorganization would not be signed before then. The Ministry of Judicial Administration was understood to have issued instructions to President Hsu Weichen of the Provincial Court to complete all necessary arrangements for the proposed reorganization.

It was also reported that a number of changes in the personnel of the Court are contemplated and that, pending conclusion of the reorganization, appointment of all judges of the Court and other important staff members would be confirmed by the Ministry of Judicial Administration under instructions from the Judicial Yuan.

Death of Dr. T. G. McMartin

Dr. T. G. McMartin, well known American dentist died at his home in Shanghai on Jan. 25. Dr. McMartin was seriously injured as a result of a gunshot wound during the disturbances in Shanghai in 1925, being the first casualty of the Shanghai Volunteer Corps. He was at that time a member of the American Troop and was on duty on Tibet Road when he was fired on by a group of Chinese agitators. In 1928 Dr. McMartin went to the United States and was operated on at the Mayo Sanitarium but never entirely recovered his health. Funeral services were held on Sunday Jan. 26 under the auspices of Shanghai Chapter Rose Croix, A.F. and A.M. Dr. McMartin is survived by Mrs. McMartin and their nine-year old daughter.

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Phone: 24-18

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Telegraphic Address: "KITVOSTDOR"
Phone: 1888 S"

DAIREN, 110, Yamagata Dori,
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Phone: 8243

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51-396

Men and Events

J. A. Hammerschmidt, architect of Tientsin, has been appointed assistant architect of the Shanghai Municipal Council.

Once the Chinese were considered the most truthful people on earth, but now they have started playing golf.—*Kay Features.*

The members of the American Club in Shanghai will hold a "Ladies' Night" on the evening of February 11. The entertainment will consist of dinner and dancing.

H. E. Morriss of the *North-China Daily News* departed for Hongkong last week, accompanying the Loh Hwa Football Team which is playing a series of matches in Hongkong.

Frank Lee, former Chinese Minister to Mexico, sailed from San Francisco on Jan. 24 for China where he will assume his new post as Vice-Minister of Foreign Affairs.

Kirby Page, editor of *The World Tomorrow* and a noted authority on international relations and world peace, will address the Pan Pacific Association, Shanghai, at its meeting March 3.

Chu Ching-kiang, merchant of Shanghai, has returned from Amsterdam where he attended the meeting of the International Chambers of Commerce. He returned from Europe by way of the United States.

Henry K. Murphy, American architect, has returned to Shanghai from Nanking where he consulted with officials of the National Government regarding plans for the construction of a memorial for revolutionary soldiers.

The Shanghai Public Benevolent Cemetery, Chapei, of which Wong I-ting is Chairman, has issued its report for 1929, showing that it furnished 311 free coffins for adults and 10,332 coffins for infants during the year.

The death occurred at Shanghai January 23 of Charles B Perkins, president of the Standard Products Co., following an operation for appendicitis. The late Mr. Perkins was 52 years of age and had been in China for thirty years.

Mahlon F. Perkins, Charge d'Affaires at the American Legation in Peiping arrived in Shanghai on Jan. 27 for the purpose of meeting Nelson T. Johnson, the new American Minister who was scheduled to arrive on Jan. 28.

The *Pacific Monthly* is the name of a well edited, well printed new magazine which has been established in Manila, with Juan Ventenilla as editor. Among the contributors to the first issue (January) is Verne Dyson, a former resident of China.

Soong Tsze-liang, who has been a secretary in the Ministry of Foreign Affairs, formally assumed the new post of Director of the Whangpoo Conservancy Board on Friday, Jan. 24. Previously Mr. Soong was director of the Shanghai Land Measurement Office.

George C. Howard, former American Trade Commissioner at Shanghai and later Trade Commissioner at Manila has been transferred to India with headquarters at Calcutta. While in Manila Mr. Howard served as commercial adviser to the office of the Governor-General.

A proposed marriage at Seattle of Victor Boisseree, an American born in China, and Miss Lee Tai, Chinese born in Oakland, California, was prevented January 25 when Boissere was arrested on a charge of failing to provide for a child by a former marriage to an American girl.

Norman Westwood, manager in the Far East for Universal Pictures, was awarded a cash prize of G. $1,000 in a recent competition held by his company for the most valuable man in the corporation, outside the United States. The prize last year went to the Paris manager.

The death occurred at Paotingfu, January 26, of the Rev J. W. Lowrie, D. D., who had spent his life in mission work in China. He was born in Shanghai 1856 and was educated at Princeton. A memorial service is being held at the Free Christian Church, Shanghai, January 31.

A radio message from London during the week stated that the British Secretary of State for Foreign Affairs had made announcement that all special privileges held by British missionaries in China, such as land ownership and residence rights outside of settlements, had been surrendered.

The Chinese newspapers in Shanghai are suspending publication for a week during the Chinese New Year holidays, despite the National Government order that the holidays may not be observed. The management of the papers was powerless in the face of the refusal of the employees to work during the time-honored holiday season.

H. K. Chang, recently appointed Chinese Consul-General at San Francisco has assumed his duties in that city. Upon his arrival he was welcomed by delegations from the San Francisco and Chinese Chamber of Commerce, and was extended a formal welcome by Mayor James Rolph, Jr.

N. F. Allman, American attorney and member of the law firm of Fleming, Franklin and Allman, is returning to Shanghai shortly from a vacation spent in the United States. Cornell S. Franklin, another member of the firm departed last week for a trip to the United States. He was accompanied by Mrs. Franklin.

The Shanghai Municipal Council has decided to permit cabarets in the International Settlement to remain open until 4 o'clock a. m. on Sunday mornings, but the original order requiring them to close at 2 a. m. on week nights will stand. Previously it had been decided to compel all cabarets to close at 2 a. m.

A group of ten students from Pomona College (California) are making a tour of the Far East with a view to studying Oriental life, conditions and problems. The idea of the tour was first proposed and developed by Sik Leong-tsui, a native of Kwangtung province and a student at Pomona College. Mr. Sik is the leader of the group.

Gen. Yen Hsi-shan, head of the Shansi provincial government was formally installed as Vice-Commander of the National Army on Jan. 21, according to a *Kuo Min* report which stated that the oath of office was administered by Wu Te-chen, a member of the Central Executive Committee. Gen. Yen will depart for Peiping in February for the purpose of establishing his headquarters in that city.

According to a *Kuo Wen* message Gen. Manuel Piedra y Martel, the Cuban Minister to China, called on Chen Shih-kong, director of the Shanghai office of the Ministry of Foreign Affairs, advising that the Cuban Legation would soon be removed to Shanghai. The Minister asked that the Chinese Government should provide him a special train from Peiping to Shanghai to convey the Legation's staff and their belongings, private and official, to the South.

According to the *Sin Wan Pao*, E. S. Cunningham, U. S. Consul-General at Shanghai has received instructions from the State Department to countersign passports for Chinese issued by the Commissioner of Public Safety of Greater Shanghai. The paper stated that Mr. Cunningham had refused to counter-sign passports following the abolition of the office of Commissioner of Foreign Affairs of Shanghai, pending instructions from the State Department.

Furs and other valuables belonging to Mr. and Mrs. Kao Ying, which were seized by the U. S. Customs examiners at San Francisco last year, were sold at auction on Jan. 24 for G.$1,117. Mr. and Mrs. Kao Ying were arrested in connection with an attempt of Mrs. Kao Ying to smuggle $1,000,000 worth of opium into the United States. Upon their return to China both were sentenced to long terms of imprisonment by the Nanking Court and are now in jail at Soochow awaiting the hearing of their appeal.

Soviet Delegation Studying Aviation in America

P. I. Baranov, chairman of the Soviet Council of Civil Aviation; A. N. Tupolev, constructor of the plane, "Land of the Soviets," and several engineers of the Soviet Council of Civil Aviation, have arrived in New York for the purpose of making an investigation of the aviation industry and commercial air lines in the United States. They are working in conjunction with the Russian Amtorg Trading Corporation in New York.

"We are especially interested in observing air developments in the United States because this country leads the world in commercial aviation" stated Mr. Baranov. "The need for new airlines in the Soviet Union is so acute due to the tremendous distances, particularly in northern Siberia and Central Asia, which have practically no modern means of transportation, that the Council of Civil Aviation proposes to more than double the present length of lines within the next three years.

"In 1929 we had 12,000 miles of commercial airways, to which some 8,000 miles will be added in 1930. Our plans call for 30,000 miles in operation by 1933, and there is every likelihood that this program will be exceeded. We also plan a considerable expansion in aerial photography and insecticide dusting service."

Reopening Railway Communications in North Manchuria

The Commercial Agency of the Chinese Eastern Railway in Shanghai recently issued public notifications to the effect that shipments on the Chinese Eastern Railway via Vladivostock have been resumed. At the same time the Shanghai post office has made announcement that the Siberian mails are being dispatched via Dairen, Harbin and the Amur railway pending the opening of through traffic through Manchuli.

CUSTOMS NOTIFICATION No. 1168

In continuation of the Notification stating that, on and after the 1st February, 1930, the Haikuan Tael will be discontinued as the unit of calculation of duties on imports from abroad and that a new gold unit will be used; the Public is hereby notified that foreign cargo arriving on vessels for which Manifests and Consular Reports have been received at the Custom House before 4 p.m. on the 31st January, 1930, will pay Import Duty in Haikuan Taels and not in Customs Gold Units. The Custom House will be open from 2 p.m. to 4 p.m. on the 31st January, 1930, for the sole purpose of receiving Consular Reports and Manifests for vessels arriving from abroad.

W. R. Myers
Commissioner of Customs.

CUSTOM HOUSE,
SHANGHAI, 24th January, 1930.

CUSTOMS NOTIFICATION No. 1169

Cargo in Bond.

The public is hereby informed that foreign imports which have been bonded on or before the 31st January 1930, if withdrawn from bond on or before the 30th April, 1930 will be assessed duty on the Haikuan Tael basis: withdrawals after the 30th April 1930 will be accorded the same treatment as foreign goods imported on or after the 16th March 1930, duty being then leviable on the Customs Gold Unit basis. Foreign goods bonded on or after the 1st February 1930 will, upon withdrawal, be subject to duty rates, assessed in Customs Gold Units, based on the provisions of the Customs Notification of the 24th January, 1930.

W. R. Myers
Commissioner of Customs,

Custom House,
Shanghai, 24th January, 1930.

CUSTOMS NOTIFICATION

No. 1172

In continuation of the Notification stating that on and after the 1st Febauary 1930, the Haikuan Tael will be discontinued as the unit of calculation of duties on imports from abroad and that a new Gold Unit will be used, I have to inform the public that dues based on import duty figures, such as inward transit-dues, wharfage and conservancy dues, etc. are to be levied on the old 5% Import Tariff on the Gold Unit basis both for specific and *ad valorem* rates.

Export and coast trade duties and outward transit and tonnage dues. however, are to be collected as at present on a Haikuan Tael basis.

I have further to notify the public that from February 1st 1930 paragraph 1 of Rule I of the Import Tariff Provisional Rules is to read:

"The duty-paying value of any import liable to an *ad valorem* rate of duty shall be determined on the basis of the wholesale market value of the goods at the port of importation. This latter value shall be converted from other currencies into Customs Gold Units at the official rates fixed for this purpose and shall be considered to be higher than the duty-paying value by

(a) The amount of the duty on the goods, and

(b) 7 per cent. of the duty-paying value of the goods.

The formula for ascertaining duty-paying value is:—

$$\frac{\text{Wholesale market value} \times 100}{100 + \text{Duty rate} + 7}$$

e.g.: $\frac{\text{C.G.U. } 60 \times 100}{100 + 12\frac{1}{2} + 7} = \frac{\text{C.G.U. } 6\,000}{119.5} = \text{C.G.U. } 50.21$

=Duty-paying value.

W. R. Myers
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th January, 1930.

From the Chinese Press

News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official) and from translations of articles and dispatches appearing in the local Chinese press.

Tuesday, Jan. 21.—Yen Hsi-shan is installed as Vice-Commander-in-chief at Taiyuan.—Shantung budget for next year shows deficit of three million dollars.—Negotiations concerning Sino-French Annam treaty temporarily suspended.—Chiang Kai-shek at State Council weekly m morial service stresses necessity for strict economy in government work.—Ministry of Railways announces resumption of normal traffic between Tientsin and Hsuchow.—Preliminary arrangements made for concluding at Nanking a new Sino-Japanese treaty.

Wednesday, Jan. 22.—Li Pei-chi urges that question of Outer Mongolia should be raised in connection with settlement of C. E. R. dispute with Soviets.—77 Chinese workers are reinstated on C. E. R.—Gen. Chen Chi-tang orders advance against rebels at Liuchow.—Shanghai Shipping Association protests against Japanese ships calling at other than "open" ports—Chinese Seamen's Association urges that foreign pilots should be abolished in Chinese waters.—Examination is held at Nanking of members of Commander-in-chief's staff.—Final conference is held of foreign and Chinese delegates at Nanking to dispose of Provisional Court matter.—Department of Social Education submits scheme for revival of ancient Chinese folk-lore.

Thursday, Jan. 23.—Central International Publicity Bureau to be established at Nanking.—Shantung Department of Agriculture plans to reclaim 2,000 square miles of waste land next spring.—Social Education Department at Nanking submits measures for spread of education in China, particularly emphasizing the necessity of a uniform dialect throughout the country.—Gen. Ho Ying-ching, at present inspecting Hunan forces at Changsha expected back in Nanking shortly.—Mo Teh-hui, C. E. R. General Director proceeding to Nanking to confer with Central authorities.—Through Siberian train reported to have left Moscow for Manchuli.—Ministry of Finance commences formulation of measures reorganizing national currency.—Nanking reports, in connection with State Council ordering complete abolition of likin by October 10, that likin has already been largely abolished in Kiangsu and Chekiang.—Ministry of Communications announces plans for opening of postal savings bureau.—Ministry of Navy plans opening of naval academy at Nanking during the year.—Chen Ming-shu's resignation as Kwangtung chairman, accepted by Nanking.

Friday, Jan. 24.—Dr. C. T. Wang states that Provisional Court issue is practically settled as result of conferences at Nanking.—Tsingtao Mayor Ma arrives at Tsinan from Hsuchow.—Part of 3rd Route Army at Kaifeng to be transferred to Chengchow for garrison duty.—Mr. Hnizdo, Czecho-Slovakian representative, arrives at Nanking to discuss proposed treaty.—Chalainor coal mines (Harbin district) resume operations.—Ministry of Commerce urges Chinese to use only native products so as to improve the silver situation.—

Saturday, Jan. 25.—Ministry of Interior opposes granting of applications for denationalization of Chinese subjects, in view of scandal of Chinese living in foreign concessions and thus evading legal obligations.—Gen. Wang Chin-yeh appointed chairman of Anhwei provincial government.—C. E. R. discusses demands of Chinese laborers to be reinstated.—Firecrackers are banned during Chinese New Year by Shanghai Chinese Municipality.—Preparatory Committee arranges for National Educational Conference to be held at Nanking next Spring.—Chiang Kai-shek orders all Peiping-Hankow railroad stock returned to the line.—Text of treaty with Czecho-Slovakia agreed upon.—Gen. Liu Chien-sui ordered from Changsha to southern Hunan to deal with "Ironsides" remnants.

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Shimbun Rengo News Service.

Tokyo, Jan. 20.--Minseito (Government) party at mass meeting makes statement that the hot blood of the Tanaka government has died down since Hamaguchi government stepped into power.

Nanking, Jan. 22.—Agreement reached at Nanking that the system of consular representatives and the engagement of foreign clerks at the Shanghai Provisional Court shall be abolished.

Tsinan, Jan. 23.—Chinese military authorities declare martial law in view of rumors that remnants of Chihli-Shantung army are hiding in the city and plotting disturbances.

Tsinan, Jan. 23.—Situation in southern Shantung becomes diquieting as Gen. Shih Yu-san's troops are moving northwards, having changed their intention of swearing allegiance to the Central Government.

Peiping, Jan. 24.—Gen. Ma Fu-hsiang, after conferring with Han Fu-chu and Shih Yu-san at Kaifeng, leaves for Nanking to make report to Central Government.

Nanking, Jan. 24.—Dr. C. T. Wang states that negotiations for abolition of consular jurisdiction in China are making smooth progress.

Tsingtao, Jan. 24.—Mayor Ma, on return here, states that rumors of revolt by Shih Yu-san against government are groundless.

Hankow, Jan. 25.—British naval officer, whose motor car had killed Chinese bicyclist, is arrested by Chinese authorities and only released after undertaking is made by British Consul that he would appear when ordered to do so.

Tsinan, Jan. 25.—Situation here becomes quieter owing to the surrender of Shih Yu-san to the Central Government.

Nanking, Jan. 26.—National Tariff Commission states that new tariff will be enforced from October 10, when likin is also to be abolished.

Soviet Bars Famous German Newspaper Correspondent

(*From The Nation, Jan. 1*)

Paul Scheffer, perhaps the foremost German foreign correspondent, who since 1921 has brilliantly represented the *Berliner Tageblatt* in Moscow, has been barred from Russia. The Soviet Government has assured him that there is nothing personal in this, but that it was necessary to establish further the principle that foreign journalists are not "resident" and covered by a treaty between Russia and Germany which guarantees to Germans permanently resident in Russia the right to return if they journey abroad. The Soviets have even hinted that Herr Scheffer may be allowed to return to Moscow at some later time. In a remarkable first-page editorial Theodor Wolff, editor of the *Tageblatt*, has told the whole story, declaring that the Russian Ambassador to Berlin had for a long time past urged upon him Herr Scheffer's recall. Theodor Wolff sees no possible interpretation for this act save that the Soviets desire to carry on the world revolution "with publicity completely barred." Undoubtedly Herr Scheffer wrote from an intensely German point of view. It is true, also, that from having been an admirer of the Soviet Government he became one of its bitterest critics. His analyses of Soviet economic affairs, while biased, have been among the most searching of any made in Moscow. Fortunately America profits by Moscow's stupid action: Herr Scheffer is hereafter to represent the *Tageblatt* in the United States. In this connection it is to be noted that the Soviets have denied circulation in Russia to our excellent contemporary the *World Tomorrow*.

National Medical Association Will Hold Conference in Shanghai

The National Medical Association of China, will hold its eighth biennial conference in Shanghai, from February 2 to 8, inclusive, in the Chinese Y. M. C. A. building, Szechuen Road. The scientific exhibits are being contributed exclusively by local Chinese and Foreign firms, while that of the educational, which consists mainly of health models, will be provided by the Ministry of Health. The Conference opening reception will be given at the International Recreation Club at 8, p. m. Sunday, February 2.

CUSTOMS NOTIFICATION NO. 1170

In continuation of the Notification stating that on and after 1st February, 1930, the Haikuan Tael will be discontinued as the unit of calculation of duties on imports from abroad and that a new Gold Unit will be used, the public is hereby notified that the Ministry of Finance has now instructed that all payments in respect of Gold Unit duties are to be tendered only in the silver surrencies now accepted.

W. R. Myers
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 25th January, 1930.

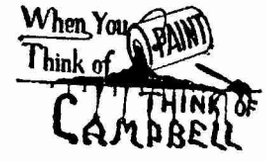
CUSTOMS NOTIFICATION NO. 1117

With reference to the Notification stating that on and after 1st February, 1930, the Haikuan Tael will be discontinued as the unit of calculation of duties on imports from abroad and that a new Gold Unit will be used; and in continuation of Customs Notification No. 1170, the public is hereby notified that from February 1st, 1930, until further notice, the official rate to be used for converting Customs Gold Units into Shanghai Taels is:

Gold Unit 1.000 = Sh. Tls. 0.803

W. R. Myers
Commissioner of Customs.

Shanghai, 25th January, 1930,
CUSTOM HOUSE.



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New York Bond Market

Thursday, January 23, 1930.

SECURITY	RATE & DATE DUE	Price	Approx. Yield %
The National City Bank of N.Y.	Stock	216	——
American I. G. Chemical Corp. Conv. Debentures	5½ % May 1, 1949	103½	5.20
City of Antwerp	5 Dec. 1, 1958	95	5.35
Argentine Government...	6 May 1, 1960	97⅝	6.18
U. S. of Brazil	6½ Oct. 15, 1957	77	8.73
Canadian National R'ly Co.	5 Oct. 1, 1969	100¾	4.96
Chicago Rapid Transit Co.	6 July 1, 1953	75	8.49
Chile Government.....	6 Sept. 1, 1961	90	6 78
Republic of Costa Rica...	7½ Sept. 1, 1949	95	8 02
Cuba Northern Railway..	5½ June 1, 1942	71	9.75
Cuban Dominican Sugar Co	7½ Nov. 1, 1944	43	——
Republic of Finland	5½ Feb. 1, 1958	37	6.52
German Central Bank for Agricultlure	6 Apr. 15, 1938	88	8.17
German Central Bank for Agriculture	6 Oct. 15, 1960	80½	7.67
German General Elec. Co.	6 May 1, 1948	93⅜	6.64
Great Consolidrted Electric Power Co. (Japan)....	7 Aug. 1, 1944	99¼	7.09
Greek Government	6 Feb. 1, 1968	83½	7.28
Ilseder Steel Corporation	6 Aug. 1, 1948	86½	7.37
Kingdom of Italy.....	7 Dec. 1, 1951	96¼	7.35
Japanese Government....	6½ Feb. 1, 1954	103⅜	6.19
Japonese ,, (large)	4 Jan. 1, 1931	95⅝	6.59
Lautaro Nitrate Co., Ltd., Conv. Bond (ex. wets.)	6 July 1, 1954	77¼	8.78
State of Minas Geraes (Brazil)	6½ Sept. 1, 1959	73	9.18
Mortgage Bank of Chile..	6 Apr. 30, 1961	88¼	6.55
National Hotel of Cuba..	6 Sept. 1, 1959	92	6.62
Northern Ohio Power & Light Co	6½ Jan. 1, 1941	92	7.62
Norwegian Hydro-Electric Nitrogen Corp.....	5½ Nov. 1, 1957	92¼	6 05
Oriental Development Co.	5½ Nov. 1, 1958	88¼	6.41
Republic of Panama	5 May 15, 1963	91	6.70
Pennsylvania Dock & Warehouse Co.	6 Aug. 1, 1949	95	6.46
Republic of Peru.....	6 Dec. 1, 1960	74¼	8.35
Rhine-Westphalia Electric Power Corp.	6 Aug. 1, 1953	90½	6.82
State of Rio Grande Do Sul (Brazil)	6 June 1, 1968	67	9.11
Savoy Plaza Crop.	5½ Feb. 1, 1938	90	7.25
Saxon Public Works, Inc.	6½ May 1, 1951	87¾	7.70
Saxon State Mortgage Inst.	6½ Dec. 1, 1946	88	7.83
Taxes Corp. Conv. Debs.	5 Oct. 1, 1944	101	4.90
Toho Electric Power Co., Ltd., (Japan)	7 Nov. 15, 1955	99¼	7.06
Tokyo Electric Light Co.	6 June 15, 1953	89	6.98
Ujigawa Electric Power Co., Ltd., (Japan)	7 Mar. 15, 1945	99¼	7.08
City of Vienna.....	6 Nov. 1, 1952	84½	7.44
City of Yokohama.....	6 Dec. 1, 1961	96¼	6 28
Abitibi Power & Paper Co.	6 Cum. Pfd. Stock.	71	8.45
Anaconda Copper Mining ,,	Common Stock	70⅝	——
Baltimore & Ohio R.R. Co.	Common Stock	116⅞	——
Beaux-Arts Apartments, Inc. $6 First Pfd. Stk. &	Common Stock	93	per unit
Belgian National Railway Participating. Pfd. Stock	6 (Amn Shares)	82⅛	7.30
Cannon Mills Co. ($2.80 Dividend per annum)..	Common Stock	28¼	——
George A. Fuller Co. Cum. & Pcptg. Prior	6 Pfd. Stock	84	7.14
General Mills, Inc.	6 Cum. Pfd. Stock.	90⅞	6.60
General Mills, Inc. (3 Dividend per annum.)	Common Stock	50¼	——
General Motor Corp.	Common Stock	39⅜	——
Hershey Chocolate Corp...	4 Conv. Pfd. Stock	87	4.60
The Kendalll Co. Cum. &	6 Pfd. Stock	83	7.23
Missouri - Kansas - Texas R. R. Co.	7 Cum. Pfd. Stock	104⅞	6.20
Mohawk Carpet Mills.($2.50 Dividend per annum)..	Common Stock	36½	——
Oliver Farm Equipment Co.	6 Prior Pfd. Stock	80½	7.45
Oliver Farm Equipment Co.	7 Common Stock	16½	——
Pennsylvaina-Dixie Cement Corporation	7 Cum. Pfd. Stock.	35	——
Pennsylvania Railroad Co.	Common Stock	78½	——
Pirelli Co. of Italy (American Share)	Common Stock	47¼	——
Postal Telegraph & Cable Co. Non-cum.	7 Pfd. Stock	103	6.80
Standard Oil Co. of N. Y.	Common Stock	32⅛	——
United Aircraft & Transport Corp.(p.v.$50) w.w.	6 Pfd. Stock	62	4.84
United Aircraft & Transport Corp.	Common Stock	50	——
United States Steel Corp.	Common Stock	170¼	——
Wesson Oil & Snowdrift Co. Inc. Canv.	4 Pfd. Stock	51	7.83
Willys Overland Co	7 Cum. Pfd. Stock	80¼	8.72

NOTE: The above quotations are received by Cable, and whilst believed to be correct, are not guaranteed.

Exchange Circular for Week Ending Wednesday, 22nd January, 1930.

Gold:—An interesting announcement has been made this week by the Finance Minister of the Chinese Government that in order to safeguard the Government finances, the Customs duties on Imports, from the 1st February, shall be collected on a Gold basis. A new gold unit equal to 66.1866 centigrammes of pure gold, will be equivalent to G $0.40 or 19.7265 pence sterling, or 0 8025 Gold Yen. Duties formerly paid in Haikuan Taels will be converted into the new unit at the rates of 1 to 1½.

Silver:—Was quoted on the 16th at 21 3/16d. for spot and 20 7/8d. forward, on the 17th 21 7/16d and 21 1/16d., on the 18th at 21d. and 20d 3/4., on the 20th at 20 15/16d. and 20 11/16d., on the 21st at 21 1/16d. and 20 1/8d., and this morning at 21d and 20¾d. Some discussion is continuing in the Press regarding the the advisability of the abolition of the Tael, the imposition of a duty on imported Silver, more rigid rules to restrict or control dealings in the Gold Bar Exchange; or oven the adoption of a Gold standard for China, and so forth. It is unlikely that any such measures, even if adopted, would have any effect in stablizing the price of the World's silver, which is presumably the object in view. No merely superficial means can influence permanently the price of one of the World's precious commodities. The progress of affairs in China would seem to offer the best means of curing the plight silver has fallen into.

Exchange:—The official rate for T/T on London on the 16th inst. was 2/1 1/16d., lowered to 2/0 3/4d. on the 18th, raised to 2/0 7/8d., on the 21st., and today remains the same. We opened on the 16th inst. with T/T on London at 2/0 15/16d., G. $ on New York 50 1/16, Yen Cross rate 49 5/8, Yen 97½, the Gold Bar 465/466, as the day advanced a firm market developed and at the close rates obtainable were 2/1⅛ and G. $ 51. Next day, however, to the surprise of most the Yen Cross rate having fallen to 49, all gains were lost and the former scale resumed On the 18th inst., silver had a heavy decline, and at the opening nothing better than 2/0 3/4d. and G. $ 49⅝, were obtainable, the Gold Bar moving around 476. Again, however, erratic movements set in and the market closed steady at slightly higher levels.

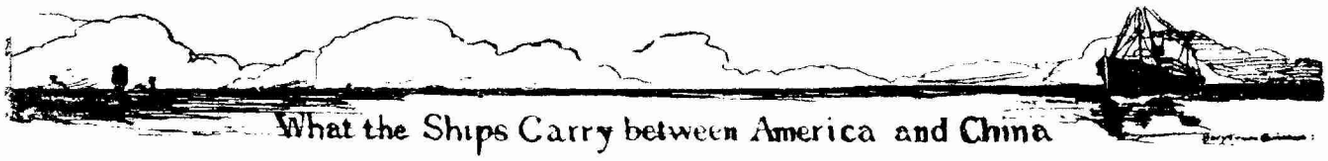
Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 106,856,000 an increase of Tls. 2,026,000
Chinese and Mexican Dollars ..... $ 139,300,000 a decrease of $ 370,000
Etimated value Tls. 207,152,000 as against Tls. 141,592,000 held at this time last year.

	Average rates for December	Thursday Jan. 16	Friday Jan. 17	Saturday Jan. 18	Monday Jan. 20	Tuesday Jan. 21	Wed., Jan. 22
Bank's selling rates		*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*
T/T on London	2/2.167	2/0½	2/0½	2/0¼	2/0¼	2/0½	2/0½
D/Dfts ,,	—	2/0 9/16	2/0 9/16	2/0 9/16	2/0 9/16	2/0 9/16	2/0 9/16
4 m/s ,,	—	2/0 11/16	2/0 11/16	2/0 7/16	2/0 7/16	2/0 11/16	2/0 11/16
T/T India	146.010	136½	136½	134¼	134¾	136¼	136¼
T/T France	1,351.833	1265	1265	1250	1250	1265	1265
T/T On N.Y.	53.130	49¾	49¾	49⅛	49⅛	49¾	49¾
Demand		49⅞	49⅞	49¼	49¼	49⅞	49⅞
T/T Hamburg		208	208	206	206	208	208
R. M.							
T/T H'kong	77.083	80¾ nom.	80¾ nom	81 nom	81¼ nom.	81 nom.	81 nom.
T/T Japan		92.125	99	98 5/8	99 5/8	100¼	99 99
T/T Batavia	131.937	123¾	123¾	122¼	122¼	123½	123½
T/T Straits	106.229	113½	113½	114¾	114¾	113½	113½
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/3 573	2/2	2/2	2/1½	2/1½	2/2	2/2
4 m/s ,, D/P	—	2/2⅛	2/2⅛	2/1⅝	2/1⅝	2/2⅛	2/2⅛
6 m/s ,, B/L Cred D/A	2/4.042	2/2 5/16	2/2 5/16	2/1 13/16	2/1 13/16	2/2 5/16	2/2 5/16
4 m/s B/F Cred D/A or D/P	1,427.083	1340	1340	1335	1335	1340	1340
4 m/s N Y Lc.	56.583	53¼	53¼	53	53	53¼	53¼
4 m/s ,, Doc.	—	53¾	53¾	53½	53½	53¾	53¾

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Jan 16	Jan. 17	Jan 18	Jan. 20	Jan 21	Jan. 22
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	21⅜	21 7/16	21	20 15/16	21 1/16	21
**New York Price of Bar Silver per oz. (Pure)	G.$ 46⅜	G $ 46	G.$ 45	G.$ 46¼	G.$. 45⅜	G.$. 45¼
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 462	Tls. 471.80	Tls 472.60	Tls 470.90	Tls 469.10	Tls. 472.80
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch)	110.90	110.90	110.90	110.90	110.90	110.80
Shanghai Mexican Dollars per $100	71 85	71.8375	71.85	71.8625	71.85	71.85
Native Bank Rate of Interest (Call money)	Nil	Nil	Nil	Nil	Nil	Nil
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day ...						

Bank of England rate of discount	5 %	London on Paris	T/T 123.89
Bank of France rate of discount	3½ %	New York on London	T/T 4.86¼
London open Market of Dis. 3 m/s	4 1/16 %	Bombay on London	T/T 1/5 15/16
,, 4 ,,	4 1/16 %	Hongkong on London	T/T 1/7
,, 6 ,,	4 1/16 %	Kobe on London	T/T 2/0 5/16



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls.; Feb. Customs Rate Tls. 1 71 equal Gold $1

YOKOHAMA MARU, Dec. 19.
(Agents: Nippon Yusen Kaisha.)
To U. S. of America.

Skins, Dog, Tanned	Pcs.	151
Skins, Lamb, Untanned	,,	1,000

EMPRESS OF ASIA, Dec. 21.
(Agents: Canadian Pacific R'ly Co.)
To U. S. of America

Silk, Raw, Steam Filature:		
White, S'hai	Bls. 270 Pls.	268.58
Yellow, Hankow, etc.	Bls. 25 ,,	25.27
Silk, Raw, Re-reeled:		
White, Soochow	Bls. 10 ,,	10.30
Silk, Raw, Reeled from Doupions:		
Shanghai	Bls. 40 Pls.	40.61
Egg Albumen, Dried	,,	20
Feathers, Duck	,,	99
Wool, Sheep's	,,	257
Musk	Tls.	245

PRESIDENT GARFIELD, Dec. 23.
(Agents: Robert Dollar Co.)
From U. S. of America.

Cotton Upholstery	Yds.	368
Cotton Cloth, Rubber-coated	,,	1,500
Cotton Thread, Embroidery	Pls.	24
Aluminium-foil	,,	75
Aluminium Sheets	,,	154
Brass Screws	,,	2
Lead, Unclassed	,,	14
Tin-foil	,,	2
Tinned Plates, Plain	,,	2,909
Canned Asparagus	,,	22
Canned Fruits	,,	107
Apples, Fresh	,,	5
Grapes, ,,	,,	19
Ink, Printing	,,	6
Leather, Calf, Coloured	,,	10
Leather, ,, Patent	,,	20
Leather, Cow, ,,	,,	3
Leather, Sole	,,	19
Newspapers, Old	,,	1,500
Oranges, Fresh	,,	70
Paints, Unclassed	,,	12
Paper, Waxed	,,	61
Paper, Writing	,,	271
Paper, Unclassed	,,	25
Raisins, Dried	,,	1,640
Shrimps, Dried	,,	155
Sugar of Milk	,,	134
Sugar, White	,,	150
Sulphur Black	,,	555
Bedsteads	Pcs	286
Leather Cloths, Imitation	,,	13
Rubber Tires, Pneumatic:		
For Motor-cars	,,	10
Scales	,,	89
Typewriters	,,	16
Canned Sardines	Doz.	2,380
Canned Goods, Unclassed	,,	504
Steel Files	,,	1,011
Fruits, Preserved, in Glasses	,,	608
Shirts Cotton	,,	6
Shoes	Pairs	2,472
Oil, Lubricating, Mineral	Galls.	1,532
Paints Unclassed	,,	111
Rum, for Cigarette-making	,,	9,605
Dyes, Aniline	Pkgs. 189 Hk.Tls.	17,787
Enamelled Ironware	,,	4,517
Infants' Foods	,,	643
Machinery, and Parts of	,,	56,125
Motor-cars, Parts of	,,	3,310
Motor-cycles, ,,	,,	745
Motor-truck, ,,	,,	586
Treasure:		
Silver Bars	,,	3,865,528

CITY OF MANDALAY, Dec. 27.
(Agents: Lacey & Cannan, Co.)
From U. S. of America.

Rubber Tires:		
For Motor-cars	Pcs.	12
Rubber Inner Tubes:		
For Motor-trucks	,,	568
Steel, Galvanized:		
Sheets, Plain	Pls.	741
Steel, Ungalvanized:		
Sheets, Plain	,,	866
Steel Tubes	,,	1,089
Steel Wire, Plain	,,	26
Tinned Sheets, Plain	,,	156
Indigo Paste, Artificial;		
20 per cent strength	,,	376
Grease, Lubricating, Mineral	,,	104
Tobacco, Leaf	,,	5,661
Oil, Lubricating, Mineral	Galls.	47,601
Machinery, and Parts of	Hk.Tls.	994

Latest New York Stock Exchange Quotations

Market Firm — Jan. 25. — Business Done 1,526,480 Shares

1929 High	1929 Low	STOCKS	Friday Jan. 24	Saturday Jan. 25
354¼	197	Allied Chemical & Dye	272	Unq
110	23	Allied Power & Light	41⅛	41¼
184½	86	American Can	127¼	128
144½	60	American Rolling Mill	89⅜	89⅞
130¼	62	American Smelting	73	73
310¼	193¼	American Tel. & Tel.	220	223½
235	160	American Tobacco "B"	216½	221
199	50	American Water Works	93	93½
140	67½	Anaconda Copper	73	73
77⅞	30	Atlantic Refining	37	38⅜
145⅛	105	Baltimore & Ohio	116⅞	117⅜
140¾	78¼	Bethlehem Steel	99½	100¾
61⅞	25	Calumet & Hecla	30½	30
265⅞	187¼	Canadian Pacific Railway	200	199½
92	42⅛	Chesapeake Corporation	68⅞	Unq
108½	75	Chicago Northwestern	85½	87⅜
143½	97	Chicago Rock Island	118	117½
135	26	Chrysler	36	35¾
68⅛	20	Cities Service, Common	28⅜	28⅜
140	52	Columbia Gas & Electric	79⅞	81⅜
88¾	16⅛	Columbia Graphaphone	27⅝	27⅞
63	20⅛	Commercial Solvents	29½	29
183¼	80⅛	Consolidated Gas of N. Y.	107¼	106
47⅛	18	Continental Oil	22⅜	22¾
126⅜	70	Corn Products	93½	94⅞
82¼	21½	Coty, Inc.	27⅜	27¾
30⅛	6½	Curtiss Wright, Common	7	7⅛
69⅛	21¼	Davison Chemical	32⅛	32
231	80	Du Pont de Nemours	118½	118
264¾	150	Eastman Kodak Company	188½	Unq
189	50	Electric Bond & Share	85	85⅞
93½	41½	Erie Railway	58⅝	59¼
105⅝	17¼	Fox Film "A"	26¾	29½
403	168⅛	General Electric	256½	260¾
81¾	35	General Food	50¾	51⅜
91¾	33½	General Motors	41½	41½
126½	70	General Railway Signal	91½	92⅜
82	31½	Gold Dust	45¼	44¾
105¾	40⅛	Goodrich Rubber	45	45⅜
154½	60	Goodyear Tire & Rubber	68	67⅞
102⅞	43	Granby	55½	54⅝
122¼	80	Great Northern Certificate	Unq	93¾
82⅜	27⅛	Haygart	Unq	Unq
102¾	48	International Cement	59⅞	Unq
103½	4¾	International Comb. Engine	6¾	7⅛
142	65	International Harvester	86⅝	87⅞
72¾	25	International Nickel	36⅞	37
68¾	40	International Printers Ink	Unq	Unq
14¾	4¼	International Products (Com)	6½	Unq
149¼	53	International Tel. & Tel.	70¼	71
242¾	90	Johns Manville	134	136
104⅞	49⅜	Kennecott Copper	57½	58
157¼	80⅛	Lambert Company	104	103⅜
102¼	65	Lehigh Valley	Unq	Unq
106¼	80	Liggett & Myers, "B"	Unq	102¾
24	11½	Madison Square Garden	12	Unq
101⅜	46	Missouri Pacific (Com)	91	92
156⅞	45½	Montgomery Ward	43⅝	44¼
62⅞	23¼	Nevada Consolidated Copper	28¾	28¾
256½	160	New York Central	177	180½
118⅞	75⅛	Northern Pacific Railway	82⅝	84⅝
146½	56⅛	Pacific Lighting	83⅝	83¼
32½	13	Packard Motor Car	16	16⅛
75½	35	Paramount Famous Lasky	57¼	59
110	72½	Pennsylvania Railroad	78¼	78¾
30	13⅛	Pennroad Corporation	13⅛	13¼
47	24¼	Phillips Petroleum	32⅞	33½
157¼	54	Public Service of New Jersey	85¾	87⅛
114¾	36	Radio Corporation	38	38¼
147¾	101½	Reading Railway	124	125⅝
66	39	Reynolds Tobacco, "B"	53¼	53⅜
181	80	Sears Roebuck	87¼	89
31¾	19	Shell Union	22¼	22⅛
188	59½	Simmons Company	90¾	90⅞
93¼	45⅛	Southern California Edison	57¼	58
157½	105	Southern Pacific Railway	122	121¾
243¾	73½	Standard Gas & Electric	116	115¾
83	43	Standard Oil of New Jersey	63⅛	64
48⅛	31¾	Standard Oil of New York	32¾	32⅜
71⅞	50	Texas Corporation	54	55
85¼	42½	Texas Gulf Sulphur	58⅜	59¾
139⅜	58½	Timken Roller Bearing	75	75
67⅜	20¼	Trans America	43¾	44⅛
140	59	Union Carbide & Carbon	84	85
297⅝	200	Union Pacific Railway	221	221
162	31	United Aircraft & Transport	51	50¾
20½	6¼	United Dry Docks	Unq	8
119½	50½	U. S. Realty & Improvement	65½	66
261¾	150	United States Steel	176	179
116½	37¼	Vanadium	58	59½
292⅝	100	Westinghouse E. & M. (Com)	150⅝	155
		Call Money	4%	Unq

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THE CHINA WEEKLY REVIEW

4 AVENUE EDWARD VII *SHANGHAI*

51-402

Chinese Government Railways

Peiping-Hankow Line

"The Road Through the Heart of China"

Time Table

In effect Feb. 20, 1929

From Peiping to Hankow

Station / Train	Peiping	Shih-k'a-chuan	Cheng-chow	Hsiao-kan hsien	Han-kow
* No. 1	d.18.00	a. 2.16 d. 2.56	a.17.15 d.17.35	d.11.49	a.14.20
* No. 11	d. 9.55	a.19.27 d.20.07	a.13.26 d.13.46	a.12.18 d.12.23	a.16.05
* No. 3			d.13.15	a. 7.18 d. 7.21	a. 9.50
No. 9	d. 9.40	a.18.21 d.19.01	a.10.50		
No. 23	d. 5.40	a 21.44			
No. 25		d. 3.45	a. 5.05		
No. 27			d.10.06	a.20.07 d.20.37	a. 2.33
No. 75				d.13.00	a.17.05

From Hankow to Peiping

Station / Train	Han-kow	Hsiao-kan-hsien	Cheng-chow	Shih-kia-chuan	Pei-ping
* No. 2	d.18.00	d.20.39	a.14.28 d.14.48	a. 5.05 d. 5.45	a.13.50
* No. 12	d.10.50	a.14.51 d.14.56	a.13.13 d.13.33	a. 7.32 d. 8.12	a.17.30
* No. 4	d.13.30	a.16.01 d.16.03	a.10.05		
No. 10			d.17.41	a. 9.33 d.10.13	a.18.35
No. 28	d. 1.00	a. 7.00 d. 7.20	a.17.34		
No. 26			d.22.34	a. 2.15	
No. 24				d. 7.40	a 20.06
No. 74	d. 7.45	a.11.39			

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In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

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The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road, Shanghai

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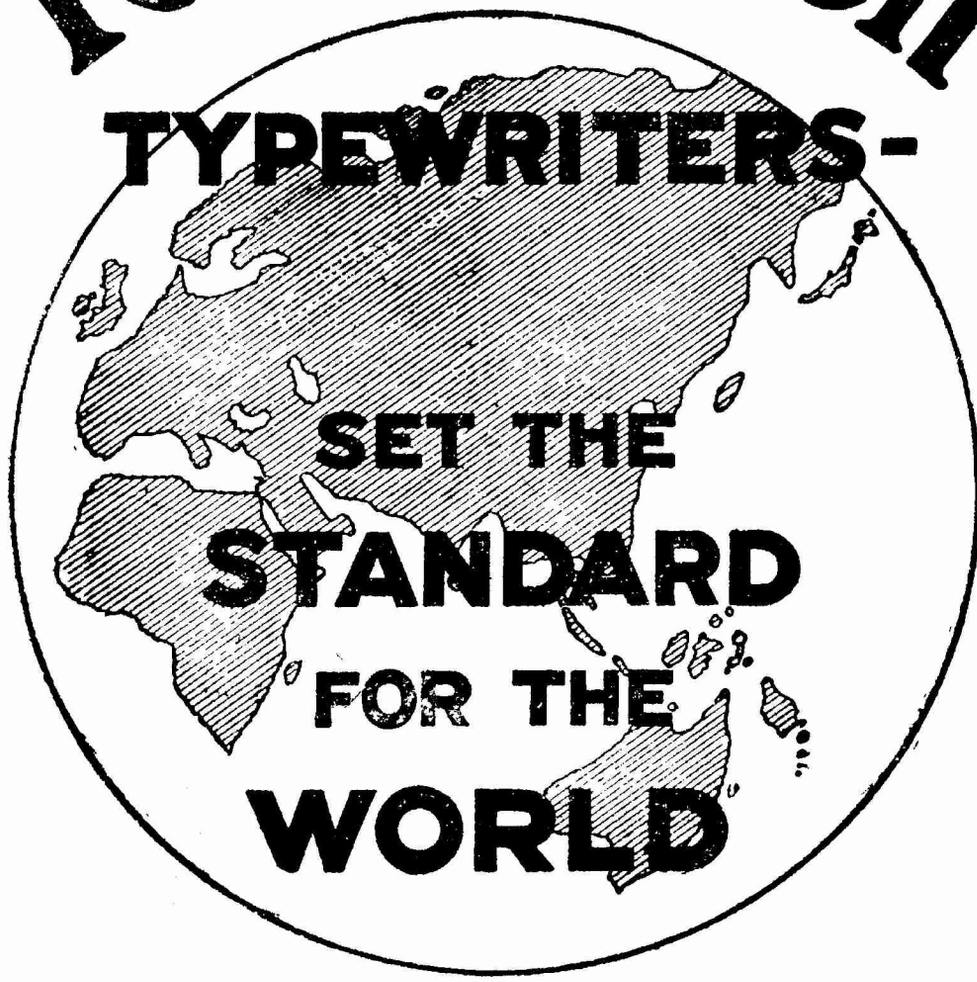

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